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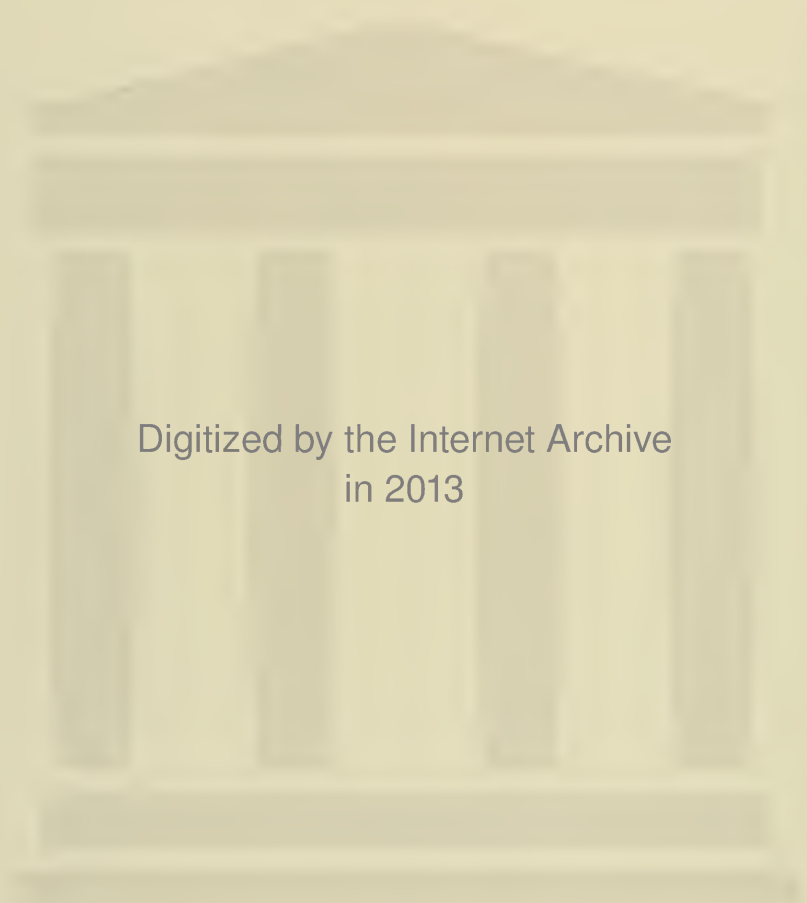


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**CALENDAR - ACTION TAKEN**  
**MEETING OF**  
**FINANCE COMMITTEE**  
**BOARD OF SUPERVISORS**  
**CITY AND COUNTY OF SAN FRANCISCO**

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WEDNESDAY, MARCH 4, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

ABSENT: SUPERVISOR SHELLEY - Item 6

DOCUMENTS DEPT.

CLERK: BARBARA STAVRO-TAYLOR

MAR 6 - 1992

SAN FRANCISCO

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

**CONSENT CALENDAR**

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 153-92-2. [Federal Challenge Grant] Resolution authorizing the Department of Social Services to apply for, accept and expend a Federal Challenge Grant in an amount up to \$4,897, which will include indirect costs equal to five percent of the total grant, from the State Department of Social Services, Office of Child Abuse Prevention to provide child abuse and neglect prevention and intervention services in Fiscal Year 1992-93. (Department of Social Services)
- b. File 64-92-2. [Lease of Real Property] Resolution authorizing a new lease of real property at 1155 Market Street, 2,528 net rentable square feet, front ground floor, for the Department of Public Health. (Real Estate Dept.)
- c. File 64-92-3. [Lease of Real Property] Resolution authorizing a new lease of real property at 1155 Market Street, 3,636 net rentable square feet, rear area ground floor, for the Department of Public Health. (Real Estate Dept.)
- d. File 82-92-1. [Acquisition-Noise Easements] Resolution authorizing the acquisition of 200 additional noise easements in the City of South San Francisco comprising their Phase VI Program. (Real Estate Dept.)
- e. File 82-92-2. [Acceptance of Grant of Easement] Resolution authorizing acceptance of a grant of easement and agreement for public street purposes from the San Francisco Museum of Modern Art, and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Dept.)

ACTION: Items 1b and 1c severed. Remainder Recommended.

Item 1b, File 64-92-2. Recommended.

Item 1c, File 64-92-3. Amended. Recommended as Amended. (See file for details.)

## REGULAR CALENDAR

2. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 2/19/92)

IT IS THE INTENTION OF THE CHAIR TO CONTINUE THE ABOVE ITEM (FILE 100-91-7) TO MARCH 11, 1992.

ACTION: CONTINUED TO MARCH 11, 1992.

3. File 205-92-1. Hearing to consider planning for potential city deficits by creating a voluntary work reduction program, allowing city employees to take time off in exchange for salary reductions. (Supervisors Migden, Gonzalez)

ACTION: CONTINUED TO CALL OF THE CHAIR.

4. File 97-92-6. [Criminal Profiteering Activity Special Fund] Ordinance amending Administrative Code by adding Section 10.117-110 thereto, establishing a special fund by the receipt and expenditure of funds and property received in restitution and forfeitures in various criminal profiteering activity cases. (Police Commission)  
(Cont'd from 2/26/92)

ACTION: CONTINUED TO CALL OF THE CHAIR.

5. File 192-92-1. Hearing to review the financial aspects of the month-to-month lease between Rapid Shine Auto Detail and the Parking and Traffic Commission.  
(Supervisor Ward)  
(Cont'd from 2/26/92)

ACTION: HEARING HELD. FILED.

6. File 47-92-1. [Automobile Detailing Lease Documents] Ordinance approving and adopting Golden Gateway Garage Automobile Detailing legal documents and authorization to lease. (Real Estate Dept.)  
(Cont'd from 2/26/92)

ACTION: RECOMMENDED.

7. File 101-91-50. [Government Funding] Ordinance appropriating \$1,832,309, Sheriff Department, for overtime, professional and special services, other equipment rentals, subsistence – persons, training, increase revolving fund, equipment purchase (automotive vehicles) and services of other departments – Building Repair. RO #91171 (Controller)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Appropriating \$2,196,585, Sheriff Department, for overtime, professional and special services, other equipment rentals, subsistence – persons, training, increase revolving fund, equipment purchase (automotive vehicles) and services of other departments – Building Repair; an emergency measure."  
AMENDED (Decrease automotive vehicles \$20,000; increase subsistence – persons \$20,000)

Question divided. Question of emergency appropriation in amount \$364,276 severed. (See File 101-91-50.1)

Main question. "Ordinance appropriating \$1,832,309, Sheriff Department, for overtime, other equipment rentals, subsistence – persons, training, equipment purchase (automotive vehicles) and services of other departments – Building Repair." (File 101-91-50) RECOMMENDED AS AMENDED.

"Ordinance appropriating \$364,276, Sheriff Department, for subsistence – persons, an emergency measure." (File 101-91-50.1) RECOMMENDED.

8. File 101-91-51. [Government Funding] Ordinance appropriating \$17,730, Public Administrator, for permanent salaries, related mandatory fringe benefits, other contractual services, other services, telephone and materials and supplies. RO #91165 (Controller)

ACTION: RECOMMENDED.

9. File 101-91-47. [Government Funding] Ordinance appropriating \$4,468,423, Department of Public Health – DMSF, for permanent salaries-miscellaneous and related mandatory fringe benefits, overtime, medical services contract and printing, for the creation of nine positions; companion measure to File 102-91-15. RO #91152. (Controller)

ACTION: AMENDED. (Classifications changed to "L") RECOMMENDED AS AMENDED.

10. File 102-91-15. [Public Employment] Ordinance amending Annual Salary Ordinance, 1991-1992, Department of Public Health, Mental Health and Substance Abuse Divisions, reflecting the addition of nine positions (Classifications 1823 Senior Administrative Analyst (2), 2281 Physician Assistant (1), 2305 Psychiatric Technician (2) and 2587 Health Worker III (4); companion measure to File 101-91-47. (Civil Service Commission)

ACTION: AMENDED. (Classifications changed to "L") RECOMMENDED AS AMENDED.

11. File 101-91-48. [Government Funding] Ordinance appropriating \$60,300, Airports Commission, for permanent salaries-miscellaneous and related mandatory fringe benefits, for the creation of three positions; companion measure to File 102-91-16. RO #91160 (Controller)

ACTION: AMENDED. (Reduce appropriation to \$29,362) RECOMMENDED AS AMENDED.

12. File 102-91-16. [Public Employment] Ordinance amending Annual Salary Ordinance, 1991-92, Airports Commission, reflecting the addition of three positions (Classification 9212 Airfield Safety Officer); companion measure to File 101-91-48. (Civil Service Commission)

ACTION: RECOMMENDED.

13. File 100-91-1.21. [Release of Funds] Requesting release of reserved funds, Airports Commission, in an amount totalling \$405,975, for professional and contractual services (\$80,975, Polaris Research & Development, to conduct annual passenger survey and to design and conduct special transit surveys; \$25,000, B. A. Vallerger, Inc., for professional engineering consulting services for evaluation of special problems related to the design and construction of asphalt and concrete pavements for runways and taxiways; and \$300,000, Morrison & Foerster Law Firm for legal services in connection with aircraft noise issues).

ACTION: HEARING HELD. RELEASE OF \$405,975 RECOMMENDED. FILED.

14. File 62-92-1. [Golden Gate Park Golf Course Lease] Ordinance approving a five-year lease with Thigpen, Ltd., Inc., for establishing and operating a professional golf shop and snack bar concession at Golden Gate Park Golf Course, San Francisco, California. (Recreation and Park Dept.)

ACTION: RECOMMENDED.

15. File 79-91-2.1. [Release of Funds] Requesting release of 1992 Community Development Block Grant Funds, from the Homeless Program Pool to Housing and Community Development, in the amount of \$61,660 for Travelers' Aid Transbay Outreach Project. (Supervisor Gonzalez)

ACTION: HEARING HELD. RELEASE OF \$61,660 RECOMMENDED. FILED.



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CITY AND COUNTY



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OF SAN FRANCISCO

ATTN: Gerry Roth

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 2, 1992

TO: Finance Committee

DOCUMENTS DEPT.

FROM: Budget Analyst - Recommendation

MAR 4 - 1992

SUBJECT: March 4, 1992 Finance Committee Meeting

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Item 1a - File 153-92-2

**Department:** Department of Social Services (DSS)

**Item:** Resolution authorizing the Department of Social Services to apply for, accept and expend a Federal Challenge Grant, which will include indirect costs equal to five percent of the total grant, from the State Department of Social Services, Office of Child Abuse Prevention to provide child abuse and neglect prevention and intervention services in fiscal year 1992-93.

**Grant Amount:** Up to \$4,897

**Source of Grant:** Federal Challenge Grant Funds through the State Department of Social Services Office of Child Abuse Prevention

**Term of Grant:** March 1, 1992 to February 28, 1993

**Project Description:** The State Department of Social Services, Office of Child Abuse Prevention is authorized, pursuant to Welfare and Institutions Code Sections 18965 through 18968, to make Federal Challenge Grant matching funds available to counties with a Children's Trust Fund to assist those counties in providing child abuse and neglect prevention and intervention services. The Children's Trust Fund, which is administered by DSS, was established by AB 2994 (Chapter II of the State Welfare and Charitable Contributions Code). Under AB 2994, \$4.00 of each \$12.00 birth certificate fee is credited to the Children's Trust Fund

for child abuse and neglect services. In addition to \$4.00 of each \$12.00 birth certificate fee, Federal Challenge Grant funds are deposited directly to the Children's Trust Fund. The DSS reports that the current balance in the Children's Trust Fund, as of January 31, 1992, is \$267,257. The DSS advises that the \$1,806 Challenge grant amount awarded for 1991-92 has already been expended. As such, the balance remaining in the Trust Fund represents monies from birth certificate fees. Any expenditure of monies from the Children's Trust Fund is subject to approval by the Board of Supervisors.

The DSS reports that the proposed Federal Challenge Grant funds for FY 1992-93, would be used to contract with the San Francisco Child Abuse Council for the provision of advertising and media activities to increase public awareness of child abuse.

**Local Match:** None

<b>Project Budget:</b>	Contractual Services	\$4,652
	Indirect Costs (5%)	<u>245</u>
	Total	\$4,897

**Comments:**

1. As noted above, the grant has a start-up date of March 1, 1992. However, the DSS advises that the Department has not, as yet, submitted the application for these grant funds nor will the acceptance or the expenditure of these grant funds take place prior to this item being approved by the Board of Supervisors.

2. The proposed grant amount of \$4,897 is \$3,091 or 171 percent more than the 1991-92 grant award amount of \$1,806.

3. The DSS has prepared the attached Summary of Grant Request.

4. The DSS has prepared a Disability Access Checklist which is in the file.

**Recommendation:** Approve the proposed resolution.

SOCIAL SERVICES COMMISSION - SUMMARY OF GRANT REQUEST

Grantor CHILDREN'S TRUST FUNDS  
 Grantor Contact Person Beth Hardesty Fife  
 Address Office of Child Abuse Prevention  
744 P St., Sacramento, CA 95814  
 Amount (Requested/Approved) \$4,897  
 Term From 3/1/92 To 2/28/93

DSS Program To be determined.  
 Program Contact Person Ann O'Rielly  
 DSS Contract Manager Walter Maciak  
 Telephone 557-5581  
 Source of Funds: Federal/State/Other Federal/  
FEDERAL CHALLENGE GRANT State

Board of Supervisors: Finance Committee: Date \_\_\_\_\_

I. Action:

Request to (apply for) (accept and expend) a (new) (continuation) (allocation) grant in the amount of \$ 4,897 for the period beginning 3/1/92 to 2/28/93 to provide Child Abuse Prevention services.

II. Purpose of grant: To provide child abuse prevention and intervention services.III. Outcomes/Objectives: (including number of clients to be served)IV. Effects of reduction/termination of these funds:V. Expenditures:

	Col. A (Last Fiscal Year)	Col. B (Current Year if Any)	Col. C (Proposed)	Col. D (Change)	Req. Match
Grant Amount	19,895	1,806	4,897	+ 3,091	
Personnel					
Equipment					
Contracts	10,895		4,652		
Mat. & Supplies					
Facilities/Space					
Other					
Indirect Costs (City)	0	0	245.		

VI. City Civil Service Personnel:

No. & Class	0	0	0	0	0
No. & Class	0	0	0	0	0

VII. Brief description of service to be purchased by contract:

VIII. Contractual Services: Open Bid X

Sole Source \_\_\_\_\_



Item 1b - File 64-92-2

**Department:** Department of Public Health (DPH)  
Real Estate Department

**Item:** Resolution authorizing a new lease of real property at 1155 Market Street.

**Location:** 1155 Market Street, front ground floor

**Purpose of Lease:** The premises would be used as the administrative offices of the Senior Health Services of the Department of Public Health, which administers preventive senior health services and geriatric case management services.

**Lessor:** 1155 Market Street Partners and Chelsea Square, Ltd.

**No. of Sq.Ft.** 2,528 square feet

**Cost Per Month:** Rent would be \$3,640.32 per month (\$1.44/sq.ft./mo.) through June 30, 1995 (\$43,684 annually), and would increase by 13.2 percent to \$4,120.64 per month (\$49,448 annually), (\$1.63/sq. ft./mo.) between July 1, 1995 through June 30, 1997. Rent would include gas, water, scavenger, and janitorial services. The City would pay for the cost of electricity, estimated by the Department of Real Estate to cost approximately \$101/month. Total costs would therefore be approximately \$3,741 per month (\$3,640.32 rent + \$101 for electricity), or approximately \$44,892 per year, at the initial rates.

**Source of Funds:** General Fund (100%)

**Term of Lease:** The lease would commence upon the date that the proposed resolution is approved by the City or upon satisfactory completion of certain alterations by the lessor and acceptance by the City's Director of Property, whichever is later.

The lease would expire on June 30, 1997, or may be terminated by the City, if rental payments are not appropriated, with 90 days prior written notice to the lessor. There would be one five year renewal option effective July 1, 1997.

**Utilities and Janitor Services Provided by Lessor:** All utilities and services would be paid for by the lessor, except the cost of electricity, which would be paid by the City.

**Comments:**

1. The proposed lease includes an agreement to hold the lessor harmless for any and all claims or liability for any injury or damage to any person or property occurring in or about the premises, or any part thereof, resulting from the negligence of the City, its agents, or employees. Mr. Phil Aissen of the Real Estate Department advises that such hold harmless provisions are commonly included in the City's rental agreements, although they are sometimes modified as to form during negotiations. In each case, however, the hold harmless clauses must be approved as to form by the City Attorney's Office, and Mr. Aissen reports that the City Attorney's Office has so approved the proposed lease.

2. Mr. Aissen reports that the necessary alterations are not extensive, involving alterations to finished space, such as erecting partitions for office work stations. Mr. Aissen indicates that the estimated cost to the lessor of these alterations is \$53,478. There would be no charges to the City for the alterations. Mr. Aissen further indicates that the alterations would begin if and when the proposed resolution authorizing and approving the lease is approved by the Board of Supervisors. The alterations are expected to be completed within 30-45 days. Therefore, Mr. Aissen anticipates that this lease would become effective on approximately May 1, 1992.

3. Mr. Aissen estimates the cost to the City of electricity for these premises would be approximately four cents (\$.04) per square foot per month, or approximately \$101/month (\$.04 x 2,528 square feet).

4. Mr. Aissen states that the rental rate for the premises reflects fair market value for the space.

5. The premises would be leased in order to relocate the administrative offices of the Senior Health Services of DPH from their current location at 1182 Market Street, where they occupy 2,029 square feet at a cost of \$1,930 per month (\$23,160 annually), or approximately \$.95/sq.ft./mo. All utilities and services for the existing premises are paid by the lessor except minor janitorial services which Mr. Aissen estimates cost approximately \$.05/sq.ft./mo., or approximately \$101/mo. (2,029 sq.ft. x \$.05/sq.ft.).

As previously noted, the proposed new premises consist of 2,528 square feet at an initial rate of \$1.44/sq.ft./mo. for rent and an estimated \$.04/sq.ft./mo. for electricity. Therefore, approval of this new lease would result in increased rental costs for the Senior Health Services administrative offices as follows:

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	<u>Monthly Cost</u>
<u>Proposed new premises (1155 Market Street)</u>	
Rent: 2,528 sq. ft. @ \$1.44/sq.ft./mo.*	\$3,640
Electricity: 2,528 sq. ft. @ \$.04/sq.ft./mo.	<u>101</u>
Subtotal	\$3,741
<u>Existing premises (1182 Market Street)</u>	
Rent: 2,029 sq. ft. @ \$1,930/mo. (\$.95/sq.ft./mo.)	(1,930)
Janitorial: 2,029 sq. ft. @ \$.05/mo.	<u>(101)</u>
Subtotal	(\$2,031)
Increase in monthly costs:	\$1,710
Increase in annual costs (\$1,710/mo. x 12 mos.)	\$20,520

\* Initial rate

The rental and utility costs of the new premises are approximately 84.2 percent more than the existing premises. As previously noted, the proposed new premises consist of 499, or nearly 25 percent more square feet than the existing premises (2,528 square feet, compared to 2,029 square feet).

In addition, the proposed companion lease for the Central City Seniors Unit of DPH (Item 1c, File 64-92-3 of the report), includes a 122 percent increase in costs and approximately 67 percent increase in space.

On an aggregate basis, the two proposed leases, taken together, would involve an increase of 103 percent in rent and utility costs for a 46 percent increase in total space.

6. Mr. Aissen reports that the existing premises at 1182 Market Street are not suitable for administrative offices of the Senior Health Services program because that building does not comply with State building codes for handicapped access, and because of the presence of asbestos and an irregular heating and ventilating system.

Mr. Aissen explains that Title 24 of the State Building Code and the U.S. Americans with Disabilities Act (ADA) require the City to provide disability access for its programs and services, and Mr. Aissen states that the relocation of the Senior Health Services administrative offices is primarily motivated by this consideration. Mr. Aissen states that all City offices located at 1182 Market Street must be relocated due to the lack of disabled access, since Federal law now requires such access. The building owner has resisted making the necessary alterations, and the City cannot mandate that such alterations be made.

Mr. Aissen states that if the administrative offices of the Senior Health Services (this proposed item) and the Central City Seniors Clinic (see Item 1c, File 64-92-3 of this report) are relocated to 1155 Market Street as contemplated, then the only remaining City-occupied premises at 1182 Market Street would be those of the Senior Information and Referral Program of the Commission on Aging, which, according to Mr. Aissen, must also be relocated.

7. Mr. Aissen notes that the administrative offices of the Senior Health Services, which would occupy the front area of the ground floor under this proposed lease, would have access to the conference room, library, and lounge areas located in the rear of the building, which would be leased to the DPH Central City Seniors Clinic under a companion lease (see Item 1c - File 64-92-3 of this report).

**Recommendation:** While the Budget Analyst recognizes the important need for improved disability access, the proposed resolution is a policy matter for the Board of Supervisors in view of the increase of approximately 25 percent of space and 84.2 percent in rental and utility costs associated with the proposed new lease over existing rental space and costs.

Item 1c - File 64-92-3

**Department:** Real Estate Department

**Item:** Resolution authorizing a new lease of real property at 1155 Market Street.

**Location:** 1155 Market Street, rear area ground floor

**Lessor:** 1155 Market Street Partners and Chelsea Square, Ltd.

**No. of Sq.Ft.** 3,636 square feet

<b>Cost Per Month:</b>	<u>Period</u>	<u>Monthly Rent</u>
	First three months	0
	Fourth month - June 30, 1993	\$4,290
	July 1, 1993 - June 30, 1994	4,000
	July 1, 1994 - June 30, 1995	4,500
	July 1, 1995 - June 30, 1996	5,000
	July 1, 1996 - June 30, 1997	5,500

The lease would contain concessions to the City in the form of 1) a provision that the lease shall be rent-free for the first three months of occupancy, and 2) a rent credit for the period July 1, 1993 to June 30, 1994 which would reduce the rental rate to \$4,000/month.

**Source of Funds:** General Fund, 38 percent, to be included in 1992-93 budget  
Realignment Revenues, 62 percent

**Term of Lease:** The lease would commence upon the date that the proposed resolution is approved by the City or upon satisfactory completion of certain alterations by the lessor and acceptance by the City's Director of Property, whichever is later.

The lease would expire June 30, 1997, or may be terminated by the City, if rental payments were not appropriated, with 90 days prior written notice to the lessor.

**Utilities & Services**

**Provided by Lessor:** Rent would include gas, water, scavenger, and janitorial services. The City would pay the cost of electricity.

**Purpose of Lease:** The premises would be used as an outpatient mental health clinic by the Department of Public Health's Central City Seniors Unit, which is staffed by eleven employees and ordinarily serves 15 or more patients at any one time.

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**BUDGET ANALYST**

The conference room, library, and lounge areas would also be used by the administrative offices of the Senior Health Services of the Department of Public Health which, under a related proposed lease (see Item 1b, File 64-92-2 of this report), would lease office space in the front ground floor area of the same building.

**Comments:**

1. The proposed lease includes an agreement to hold the lessor harmless for any and all claims or liability for any injury or damage to any person or property occurring in or about the premises resulting from the negligence of the City, its agents, or employees. Mr. Phil Aissen of the Real Estate Department advises that such hold harmless provisions are commonly included in the City's rental agreements, although they are sometimes modified as to form during negotiations. In each case, however, the hold harmless clauses must be approved as to form by the City Attorney's Office, and Mr. Aissen reports that the City Attorney's Office has so approved the proposed lease.

2. Mr. Aissen reports that the necessary alterations involve building out unfinished space to specifications provided by the City, at an estimated cost to the lessor of \$123,924. There would be no charges to the City for the alterations. Mr. Aissen further indicates that the alterations would begin if and when the proposed resolution authorizing and approving the lease is approved by the Board of Supervisors. The alterations are expected to be completed within 30-45 days. Therefore, Mr. Aissen anticipates that if the proposed resolution is approved, this lease would become effective on approximately May 1, 1992.

3. Mr. Aissen estimates the cost to the City of electricity for these premises would be approximately four cents (\$.04) per square foot per month, or approximately \$145/month (\$.04 x 3,636 square feet).

4. Mr. Aissen states that the initial rental rate for the premises of \$4,290/month or \$1.18 per square foot per month reflects the fair market value for the space.

The proposed resolution reflects that the premises would be rent-free between April 1, 1992 and June 30, 1992. Mr. Aissen states that he has reached agreement with the lessor that the premises would be occupied rent free for the first three months of occupancy, regardless of the date that occupancy begins. The proposed resolution should therefore be amended to reflect this refinement of the conditions for rent-free occupancy. After the first three months of occupancy, whether before or after July 1, 1992, the rental rate would

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**BUDGET ANALYST**

increase to \$4,290 per month, and this rate would remain in effect through June 30, 1993.

In the second year, the monthly rent will decrease to \$4,000/month, which Mr. Aissen states is less than the full market rental rate. Mr. Aissen explains that this rate reduction was agreed upon as a concession by the lessor to induce the City to lease the premises, but that for reasons related to the lessor's cash flow, the rent reduction would be applied in the second year rather than the first.

5. The premises would be leased in order to relocate the Central City Seniors' Unit of DPH, which provides mental health and geriatric case management services to the elder population. For a number of years the program has shared facilities and resources with the administrative offices of the Senior Health Services program, a separate DPH project. The Central City Seniors Unit would be relocated from its current location at 1182 Market Street, where it occupies 2,183 square feet in a number of separate rooms on two floors at a total cost of \$1,893 per month (\$22,716 annually), or approximately \$.87/sq.ft./mo. All utilities and services for the existing premises are paid by the lessor except minor janitorial services which Mr. Aissen estimates cost approximately \$.05/sq.ft./mo., or approximately \$109/month (2,183 sq.ft. x \$.05/sq.ft.).

As previously noted, the proposed new premises consist of 3,636 square feet at an initial rate of \$4,290/mo. for rent (\$1.18/sq.ft./mo. or \$51,480/year), and an estimated \$.04/sq.ft./mo. for electricity. The increase in costs for the Central City Seniors Unit is therefore as follows:

	<u>Monthly Rent</u>
<u>Proposed new premises (1155 Market Street)</u>	
Rent: 3,636 sq. ft. @ \$4,290/mo.* (\$1.18/sq. ft./mo.)	\$4,290
Electricity: 3,636 sq. ft. @ \$.04/sq.ft./mo.	<u>145</u>
Subtotal	\$4,435
* Initial rate	
<u>Existing premises (1182 Market Street)</u>	
Rent: 2,183 sq. ft. @ \$1,893/mo. (\$.87/sq.ft./mo.)	(1,893)
Janitorial: 2,183 sq. ft. @ \$.05/mo.	<u>(109)</u>
Subtotal	(2,002)
Increase in monthly costs:	\$2,433
Increase in annual costs (\$2,433/mo. (\$4,435 less \$2,002) x 12 mos.)	\$29,196



The rental cost of the new premises is approximately 123 percent more than the old premises. As previously noted, the proposed new premises consist of 1,453 sq. ft., or approximately 67 percent more square feet than the existing premises (3,636 square feet, compared to 2,183 square feet).

In addition, the proposed companion lease for the administrative offices of the Senior Health Services program of DPH (Item 1b, File 64-92-2 of this report) includes an approximately 84 percent increase in costs and 25 percent increase in space

On an aggregate basis, the two proposed leases, taken together, would involve an increase of 103 percent in rent and utility costs for a 46 percent increase in total space.

6. Mr. Aissen comments that in its existing location, the Central City Seniors Unit exhibits an inadequate reception area, an inadequate conference room, and is split among separate rooms on the second and fourth floors, which requires staff to travel repeatedly up and down between offices. This fragmentation has been created over the years, according to Mr. Aissen, by incremental expansions of the program, which resulted in leasing additional rooms in the same building.

Ms. Linda LiBrize, Executive Director of the Central City Seniors Unit, comments that the expanded space in the proposed new premises should permit the program to expand as the senior population continues to grow. She notes further that the expanded space will provide each of the eight mental health professionals working in the program with a separate office which is of importance in the provision of mental health services, and she observes that an expanded conference room will permit the program to more effectively provide workshops, classes, and seminars for the senior population.

7. Mr. Aissen reports that the existing premises at 1182 Market Street are not suitable for administrative offices of the Senior Health Services program because that building does not comply with State building codes for handicapped access, and because of the presence of asbestos and an irregular heating and ventilating system.

Mr. Aissen explains that Title 24 of the State Building Code and the U.S. Americans with Disabilities Act (ADA) require the City to provide disability access for its programs and services, and Mr. Aissen states that the relocation of the Central City Seniors Unit is primarily motivated by this

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**BUDGET ANALYST**



consideration. Mr. Aissen states that all City offices located at 1182 Market Street must be relocated due to the lack of disabled access, since Federal law now requires such access, the building owner has resisted making the necessary alterations, and the City cannot mandate that such alterations be made.

Mr. Aissen states that if the Central City Seniors Unit and the administrative offices of the Senior Health Services (see Item 1b, File 64-92-2 of this report) are relocated to 1155 Market Street as contemplated, then the only City-occupied premises at 1182 Market Street would be those of the Senior Information and Referral program of the Commission on Aging, which, according to Mr. Aissen, must also be relocated.

**Recommendation:** Amend the proposed resolution at lines 21-22 to read "The premises shall be rent free for the first three months of occupancy; thereafter, through June 30,1992," prior to the words "the rent shall be \$4,290..."

While the Budget Analyst recognizes the important need for improved disability access, the proposed resolution is a policy matter for the Board of Supervisors in view of the 122 percent increase in rental costs and the approximately 67 percent increase in space associated with the proposed new lease, as compared to the existing premises.



Item 1d - File 82-92-1

**Department:** Real Estate Department  
Airports Commission

**Item:** Resolution authorizing the acquisition of 200 additional noise easements in the City of South San Francisco comprising their Phase VI Program.

**Description:** The San Francisco International Airport's Noise Easement Acquisition Program consists of insulating private residences and schools in the City of South San Francisco and other cities that are located near the San Francisco Airport.

Acquisition of these easements constitutes Phase VI of the Program. The Board of Supervisors has previously approved six different resolutions to acquire an estimated combined total of 280 noise easement deeds in the City of South San Francisco.

Once purchased, the noise easements would remain in effect for 20 years. As consideration for the grant of noise easements, the City would pay 20 percent, or \$500,000 of the total construction cost and title insurance fees to insulate the residences. In addition, the City of South San Francisco would pay the remaining 80 percent, or \$2,000,000, of the total construction costs and title insurance fees of \$2,500,000 with funding obtained from Federal grant funds.

- Comments:**
1. As noted, the total cost to the City of purchasing the 200 additional noise easements is estimated at \$500,000. Ms. Helen Lucas of the Airport reports that these funds are included in the Airport's FY 1991-92 operating budget for the noise monitoring program.
  2. The Real Estate Department reports that the acquisition of the 200 additional noise easements in the City of South San Francisco would satisfy the State-mandated noise mitigation requirements. If the proposed resolution is approved, the City would have authorized a total of 480 noise easement deeds in the City of South San Francisco.
  3. Mr. Don Garibaldi of the City Attorney's Office reports that the purchase of these noise easements enables the City to comply with State legal requirements, and eliminates any costs to defend against noise-related small claims lawsuits filed by San Mateo County residents. Therefore, Mr. Garibaldi further reports that the City Attorney's Office

Memo to Finance Committee  
March 4, 1992

recommends purchasing the easements as part of the  
Airport's on-going noise monitoring program.

**Recommendation:** Approve the proposed resolution.

Item 1e - File 82-92-2

- Department:** Real Estate Department  
Department of Public Works (DPW)  
Department of City Planning
- Item:** Resolution authorizing the acceptance of a grant of easement and agreement for public street purposes from the San Francisco Museum of Modern Art and adopting findings pursuant to City Planning Code Section 101.1.
- Location:** Easement located adjacent to Hunt Street at the south end of Natoma Street (see attached map).
- Purpose:** -The Board of Supervisors previously conveyed a portion of Hunt Street and Masset Place, at no cost, to the Redevelopment Agency (Resolution Nos. 647-79 and 755-79). The Redevelopment Agency will convey this property to the San Francisco Museum of Modern Art in March of 1992. The Museum intends to develop the property with a state of the art fine arts museum. The above-noted previously approved legislation contained a provision that prior to the development of this property, the Redevelopment Agency or any other successor to this property would be required to convey the proposed easement area to the City for purposes of permitting the construction of a vehicular turnaround street for public access. The Real Estate Department reports that the Museum of Modern Art will, at its sole cost, construct and maintain the vehicular turnaround street and will indemnify and hold harmless the City from any claims in connection with the turnaround area, as well as maintain an insurance policy naming the City as additional insured.
- Size of Easement:** Approximately 5,766 square feet
- Easement Rights**
- Purchase Price:** The Museum of Modern Art will convey this easement to the City at no cost.
- Comments:**
1. Mr. Greg Cruz of the DPW reports that the City benefits from the acquisition of this easement because it permits the the establishment of a street for public access which would otherwise not exist.
  2. According to the Department of City Planning, the acceptance of the easement by the City is in conformance with the City's Master Plan and has been reviewed for consistency with the Eight Priority Policies of Planning Code Section 101.1.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

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**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3RD STREET

SFRA

3722

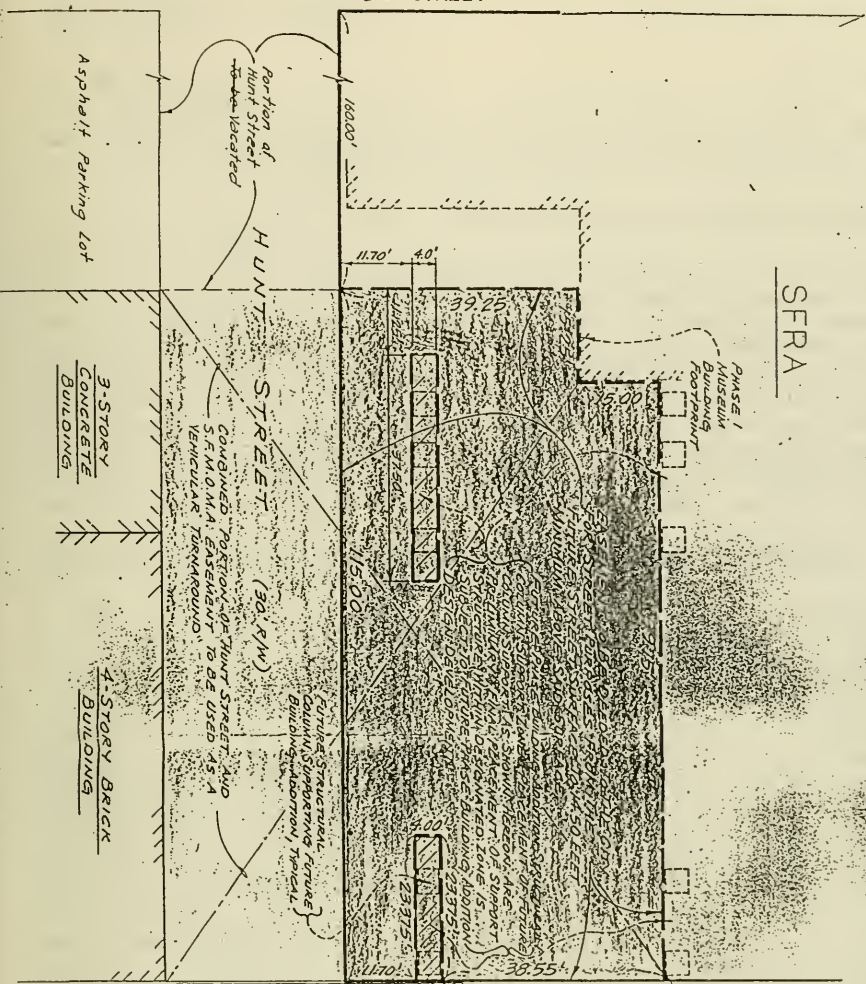
Asphalt parking lot

NATOMA STREET  
(35' R/W)

Property to be conveyed by S.F.R.A. to Museum.

EASEMENT AREA TO BE CONVEYED BY MUSEUM TO CITY AND COUNTY OF SAN FRANCISCO FOR PUBLIC STREET PARCELS / PARCEL "A"

AREA TO BE RETAINED BY MUSEUM FOR FUTURE BUILDING COLUMN SUPPORTS.  
— PORTION OF HUNT STREET TO BE COMBINED WITH EASEMENT AREA (GREEN) FOR VEHICULAR TURNAROUND PURPOSES / PARCEL "B"



EASEMENT PLAT

EB2-S.F. MUSEUM  
OF MODERN ART

MARTIN M. RON ASSOCIATES, INC.  
LAND SURVEYORS  
501 SECOND STREET SUITE 418  
SAN FRANCISCO, CA 94107  
(415) 543-4500

DES	JP
DRAW	BR
CHECK	BR
REV NO.	
APPROVED	

PRINTED  
MAY 8 1991

SCALE 1"=40'  
DATE 5-8-91  
SHEET 1  
OF 1



Item 2 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of February 19, 1992.

1. The item is a hearing to consider the status of the City's economic vitality and business climate.

2. According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco's total employment of these changes on each sector relative to its size.

3. Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share

alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

4. Increasing Focus on International Trade. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

5. Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.

6. Retail Sales/Effects of Recession. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

7. Growing Apparel Industry. San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

8. Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

9. Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

10. Job Growth in San Francisco. A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

11. Commercial vacancy rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

12. Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

13. Labor Supply/Unemployment. Another factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor rate had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

14. Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.



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15 Housing Construction. CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services.

According to the March 4, 1992 Finance Committee calendar, it is the intention of the Chair to continue this item to March 11, 1992.

<b>San Francisco Bay Area</b> <b>Wage and Salary Jobs by Subregion</b> <b>1979-1990</b> <b>(Thousands)</b>					
	1979	1984	1990	% Growth	
				1979-84	1984-1990
Oakland MSA	681.7	738.9	909.7	8.4%	23.0%
San Francisco MSA	847.6	906.4	978.2	6.9%	7.9%
San Jose MSA	644.0	783.2	831.5	21.6%	6.2%
Santa Rosa MSA	93.8	113.1	149.4	20.6%	32.1%
Vallejo-Napa MSA	103.1	113.9	146.0	10.5%	28.2%
San Francisco Bay Area	2,370.2	2,655.5	3,014.8	12.0%	13.5%

Source: EDD

From: California Economic Growth, 1991 Edition  
Center for Continuing Study of the California Economy

# Decentralization of Employment in the Bay Area Economy 1972-1989

Exhibit 2

County	Employment Share		
	1972	1981	1989
Alameda	23.1%	19.7%	19.7%
Contra Costa	7.8%	8.0%	9.7%
Marin	2.7%	3.0%	3.1%
Napa	1.3%	1.4%	1.5%
San Francisco	25.1%	22.6%	19.4%
San Mateo	10.7%	10.3%	10.0%
Santa Clara	22.9%	28.0%	28.5%
Solano	2.9%	2.9%	3.5%
Sonoma	3.4%	4.1%	4.6%

Source: *Wage and Salary Employment Data*, California Employment Development Department.

From: San Francisco Bay Area Economy: 1990 and 1991  
Special Report of the Association for Bay Area Governments



Item 3 - File 205-92-1

1. This item is a hearing to consider planning for potential City deficits by creating a voluntary work reduction program, allowing City employees to take time off in exchange for salary reductions.

2. The November 27, 1991 joint report issued by the Controller, the Mayor's Finance Director and the Budget Analyst stated that the City is facing an estimated revenue shortfall of \$91.7 million for FY 1992-93. It is anticipated that this joint report will be updated in the near future, and that the anticipated size of the City's projected revenue shortfall for FY 1992-93 will result in some layoffs of City employees. A voluntary work reduction program has the potential to achieve significant savings from reduced personnel costs and could be used to reduce or minimize anticipated layoffs of City employees.

3. According to the Civil Service Commission, the City could implement a voluntary work reduction program, since current Civil Service procedures allow employees to request unpaid leaves of absence from their supervisors. Under a voluntary work reduction program, employees could request a certain number of days of unpaid leave, which could be spread over the entire fiscal year.

4. In order for the Controller to certify savings from such a proposed work reduction program, and still have the impact of reducing the number of potential layoffs, the City would have to determine, prior to adoption of the final FY 1992-93 budget, the actual number of employees willing to take time off in exchange for salary reductions. This would involve surveying City employees and obtaining commitments from employees to participate in the program.

5. At the request of the Author of this proposed voluntary work reduction program, the staff of the Civil Service Commission is presently developing a survey for employees to determine the amount of employee interest and commitment in a voluntary work reduction program. The results of this survey would assist the City in determining the potential for budgetary savings from a voluntary work reduction program.

6. Any savings that could be achieved by a voluntary unpaid employee work reduction program would depend on (1) the number of employees that would be willing to volunteer for such a work reduction program, (2) the number of employees that could participate in the program without unacceptable service consequences, (3) the amount of days which employees agree to take off under the voluntary work reduction program, and (4) the rate of pay for those employees.

**Comments**

1. The Board of Supervisors considered a mandatory work furlough program to save \$50 million during the FY 1991-92 budget process. Although this mandatory program was never implemented, the Budget Analyst had estimated that employees would have to take between 16.49 and 48 days off, annually, depending on the number of employees which would be excluded from such a program ( i.e., uniform Police, Fire, MUNI operators, Nurses, etc.), in order to achieve the \$50 million target. Under a voluntary program, which is the subject of this hearing, the expected budgetary savings may be substantially lower since it is likely that numerous employees would not elect to participate in a work reduction program.

2. For example, using the cost estimates provided in last year's report of the Budget Analyst, excluding Police and Fire uniform employees, Nurses, and MUNI operators, and assuming all remaining employees took 12 unpaid work reduction days per year (average of one day per month), the estimated savings would be approximately \$36.4 million before FY 1992-93 salary standardization. If just 10 percent of the employees agreed to participate in such a plan, the projected savings could total \$3.64 million. As noted above, these estimates would vary widely, depending on the number of days of unpaid leave taken by employees and the number of employees who actually choose to participate in the program.

3. Civil Service also notes that participation in the voluntary work reduction program would affect an employee's accrual of vacation time, sick leave time, and service credit for calculation of retirement benefits. The City would need to disclose such impacts on employee benefits to the employee prior to the employee's decision to participate in the program.

4. In contrast to a mandatory work reduction program, which would require meet and conferral with the employee unions, this proposed work reduction program is voluntary and can be implemented through existing Civil Service procedures. Furthermore, because this proposed work reduction program is voluntary and does not force employees to not work, employees could not claim unemployment benefits.



Item 4 - File 97-92-6

**Note:** This item was continued by the Finance Committee at its meeting of February 26, 1992.

**Department:** Police Department

**Item:** Ordinance amending the Administrative Code by adding Section 10.117-110 thereto, establishing a special fund by the receipt and expenditure of funds and property received in restitution and forfeitures in various criminal profiteering activity cases.

**Description:** The proposed ordinance would establish a Criminal Profiteering Activity Restitution/Forfeiture Special Fund for the purpose of receiving money or tangible property which reflect court orders for restitution and forfeitures to the City in various criminal profiteering activities which include organized bookmaking, gambling, pimping, pandering and prostitution cases. The proposed ordinance would provide that the appropriation to and expenditure of monies from the Fund would not exceed \$70,000 in any one fiscal year. Under the proposed ordinance, the funds would be used to purchase equipment, supplies, contractual services, rental of undercover vehicles, undercover operations, expendable informant gambling and wagering funds, and outside training of members involved in these investigations for Police Department activities relating to various profiteering crimes. Any court-ordered fines which are received by the City in excess of \$70,000 would be used for Police Department overtime related to criminal profiteering activity investigations.

The proposed ordinance provides that the balance which is remaining in the Special Fund at the close of any fiscal year shall be carried forward and accumulated for criminal profiteering activity investigations in future fiscal years. The proposed ordinance also provides that the Special Fund would be a non-interest bearing account. Funds may only be expended from the Special Fund with prior written approval by the Chief of Police. Quarterly reports reflecting the revenues and expenditures from this Special Fund shall be submitted to the Mayor and the Board of Supervisors. However, the Police Department would not be required to request prior authorization and to obtain appropriation approval from the Board of Supervisors to expend any of the monies accumulated in the proposed Special Fund.

**Comments:**

1. According to Captain Tony Ribera of the Police Department, currently all of the court-ordered restitution fines for the Police Department are used for overtime related to criminal profiteering activity investigations. Under the current provision, if the amount of restitution fines exceeds the overtime expense for the criminal profiteering activity investigations, the additional revenues are returned to the General Fund. Capt. Ribera states that the courts require the Police Department to use the fines in areas related to criminal profiteering investigations, but since there is currently no Special Fund to accept the fines, the Police Department is limited to only apply these fines received to overtime hours. Capt. Ribera further states that the proposed ordinance would enable the Police Department more flexibility in using court-ordered fines for investigative procedures rather than only using the court-ordered fines for overtime hours. Officer Tom Strong of the Police Department reports that for FY 1990-91, the Police Department received a total of \$83,400 in court-ordered fines from criminal profiteering cases, which the Police Department applied to overtime hours, and in FY 1991-92, as of December 31, 1991, the Department received approximately \$36,300.

2. Lieutenant Art Gerrans of the Police Department's Vice Crime Detail estimates that because the amount of court-ordered fines from criminal profiteering cases which the City has received has been increasing in recent years, the City would likely receive between \$150,000 to \$200,000 annually in upcoming fiscal years. In addition, Lt. Gerrans estimates that because of the Police Department's assistance in a Federal case, the Police Department will receive approximately \$380,000 during FY 1991-92. Under the proposed ordinance, any fines which are received in excess of up to \$70,000 appropriated to the proposed Special Fund would be used for Police Department overtime activities related to criminal profiteering cases. If the court-ordered fines received exceed the amount of overtime incurred for criminal profiteering activities, after up to \$70,000 is appropriated to the proposed Special Fund, the excess monies would be returned to the General Fund.

3. As noted, all court-ordered fines are currently used for Police Department overtime. Under the proposed ordinance, the Police Department would be authorized to appropriate and expend up to \$70,000 of these court-ordered fines from the proposed Special Fund for other activities, rather than using up to \$70,000 for Police Department overtime as is currently done. As a result, additional General Fund monies of up to

\$70,000 annually would have to be used for Police Department overtime.

4. Lt. Gerrans reports that the Police Department's FY 1991-92 budget includes approximately \$450 monthly or \$5,400 annually for investigative expenses incurred by the Vice Crime Detail. Lt. Gerrans further reports that the Vice Crime Detail has two undercover vehicles which are now easily recognizable. Therefore, Lt. Gerrans indicates that the proposed Special Fund would enable the Police Department to increase the Department's effectiveness in undercover work, and may actually increase the amount of court-ordered fines received by the City, assuming there are more convictions made and fines ordered.

5. However, according to the Controller's Schedule of Budgeted and Projected Expenditures as of December 31, 1991, the projected net deficit for Police Department salary expenditures, including overtime is approximately \$2.67 million in FY 1991-92. The proposed ordinance would decrease the amount of court-ordered fine revenues available for Police Department overtime, thereby increasing the amount of overtime funded through the General Fund. It should also be noted that the Mayor's Office is proposing to close the remaining \$5.566 million budget deficit in FY 1991-92 by reducing Police Department overtime expenditures by \$500,000. Therefore, the Budget Analyst recommends the proposed ordinance be disapproved since additional General Fund monies of up to \$70,000 annually would have to be used for Police Department overtime.

6. This item was continued from the February 26, 1992 Finance Committee meeting at the request of the Police Department. The Mayor's Office was scheduled to meet with the Police Department on February 25, 1992 and will comment on the proposed ordinance at the Finance Committee meeting of March 4, 1992.

**Recommendation:** Do not approve the proposed ordinance.



Item 5 - File 192-92-1

**Note:** This item was continued by the Finance Committee at its meeting of February 26, 1992.

This item is a hearing to review the financial aspects of the month-to-month lease between Rapid Shine Auto Detail and the Parking and Traffic Commission.

Background on Rapid Shine Sublease Tenancy at Golden Gateway Garage

1. The auto detailing operation of the Golden Gateway Garage was established in 1987 when Golden Gate Parking Company, the master tenant of the garage recruited a subtenant, Avocet Group Inc., to perform the auto detailing services. The approved minimum monthly rent for the auto detailing services, payable by Avocet to Golden Gate Parking Company, was \$1,750, of which 80.674 percent or \$1,412 was paid to the City. In addition to the minimum monthly rent, Avocet was also required, under the terms of the sublease, to pay 10 percent of monthly gross revenues over \$8,500, of which amount the City was paid 80.674 percent. In January of 1988, the Avocet Group, Inc. sublease was assigned to Steve's Detailing Services because the firm was operating only marginally. Subsequently, Steve's Detailing Services abandoned the premises and defaulted on the lease obligations. In February of 1989, the Parking Authority authorized Golden Gate Parking Company to enter into a license agreement with Rapid Shine, Inc. This license, under a month-to-month basis, served as an interim measure until such time as a formal sublease could be approved. In June of 1989, a formal sublease was approved between Golden Gate Parking Company and Rapid Shine, Inc. Under this sublease, Rapid Shine was required to pay a minimum monthly rental of \$1,750 to the Golden Gate Parking Company. The City was entitled to be paid 80.674 percent of the minimum monthly rental.

2. After operating for several months, Rapid Shine, Inc. began experiencing problems paying the minimum monthly rent. Ms. Ganice Morgan, the owner of Rapid Shine requested that Golden Gate Parking ask the City's Real Estate Department to reevaluate the minimum monthly rent to determine if it was appropriate given market conditions. In December of 1989, the City's Real Estate Department prepared an analysis of the space occupied by Rapid Shine and determined that it was appropriate to reduce the monthly minimum rent from \$1,750 to \$885, a reduction of \$865 or 49 percent. This reduction, which was made retroactive to February 15, 1989 (the month that Rapid Shine began operation under the license agreement) was approved by the Parking Authority on December 19, 1989. The net result of this action was that Rapid Shine's minimum monthly rental for the term of its tenancy as a sublessee, was \$885 instead of \$1,750. Following the reduction in rent, the Golden Gate Parking Company reports that Rapid Shine's payment of rent remained inconsistent. According to the Department, monthly payments were made late or in numerous instances the monthly payments were not made at all.



3. On April 9, 1991, the Golden Gate Parking Company notified Ms. Morgan in writing that Rapid Shine owed \$6,347 in back rent for the period October, 1990 to April, 1991 (seven months). Subsequently, Mr. Rodney Brown of the Real Estate Department advised the Golden Gate Parking Company that Rapid Shine had found it necessary to replace a broken gate adjacent to its workspace for security purposes and for employee safety. Golden Gate Garage informed the Real Estate Department in writing that they had not authorized Rapid Shine to make such repairs and, according to the Golden Gate Parking Company, under the terms of the sublease the Golden Gate Parking Company had no authority to give rent credits or approval to use rent monies for anything other than rent. In the interim, Ms. Morgan of Rapid Shine notified the Golden Gate Parking Company on June 5, 1991, in writing, that the cost to repair the gate was \$4,896. Additionally, Ms. Morgan advised that Rapid Shine had arranged to have the repair work done on a clogged drainage line, at a cost of \$1,456, bringing the total cost of repairs to \$6,352. Subsequent to Ms. Morgan providing these repair costs, the Real Estate Department determined that the invoice for the drainage line repair was \$456 not \$1,456, bringing the total cost of these repairs to \$5,352.

4. On August 30, 1991, Mr. Harry Quinn of the Real Estate Department notified Ms. Morgan in writing that the lease with the Golden Gate Parking Company was due to expire effective August 31, 1991, and accordingly, the Rapid Shine sublease would also expire. Mr. Quinn advised Ms. Morgan that the City was willing to entertain a month-to-month sublease rental arrangement with Rapid Shine, until the auto detailing area could be competitively bid, providing that Rapid Shine paid all back rents, less the \$5,352 in rent credits, then estimated at \$4,535, due to the Golden Gate Parking Company within 30-days, and that proof of payment be supplied to the Real Estate Department. Mr. Quinn, advised that if these conditions were not met then Rapid Shine's occupancy would be terminated.

5. In an effort to resolve the issue of the \$5,352 cost of repair for the gate and drainage line, the Golden Gate Parking Company submitted a formal request, on September 3, 1991, to the Parking Authority, under the terms of the lease with the City, asking for a rent credit of \$5,352 to cover the cost of these repairs. This credit, which was approved by the Parking Authority, was conditioned on the City receiving receipts for the payment of the repair services. The Golden Gate Parking Company subsequently passed this rent credit on to Rapid Shine. In the interim, on September 23, 1991, Mr. Quinn notified Ms. Morgan that the Real Estate Department had been informed by the Golden Gate Parking Company that it had still not received payment for back rents owed (less rent credits). Mr. Quinn advised that, as previously indicated, if back rents were not paid in full, the Real Estate Department could not continue to lease space to Rapid Shine.

6. On September 24, 1991, Ms. Morgan notified the Golden Gate Parking Company in writing that Rapid Shine was not ignoring the monthly billing statements. Ms. Morgan advised the Golden Gate Parking Company that the Golden Gate Parking Company had been informed as to why Rapid Shine had not paid rent, in connection with the \$5,352 incurred by Rapid Shine for the gate and drainage line repairs. In addition, Ms. Morgan advised that Rapid Shine was also entitled to additional reimbursements and rent credits for the following:

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Loss of business (5 days) due to closure as a result of flooding caused by blocked drainage line	\$2,147
Loss of business (2 days) due to electrical work performed in work space	859
Security deposit	885
Missing advertising sign	350
Error in billing	<u>152</u>
Total	\$4,393

\*The \$4,393, plus the \$5,352, previously allowed for the gate and drainage line repairs totaled \$9,745.

Ms. Morgan stated finally that based on the above calculations, that the total balance owed by Rapid Shine for back rents was \$141 and that a check for that amount was enclosed. The Golden Gate Parking Company reports that no such check was enclosed. In the interim, on October 3, 1991, Mr. Quinn notified Ms. Morgan in writing that in the interest of allowing Rapid Shine to continue its occupancy of the auto detailing area, the Real Estate Department was preparing a month-to-month lease agreement for her signature. Mr. Quinn added that this correspondence in no way conceded any points made in Ms. Morgan's letter of September 24, 1991.

7. On October 9, 1991, the Golden Gate Parking Company notified Ms. Morgan of what it considered to be discrepancies in her letter of September 24, 1991. The Golden Gate Parking Company contended that Rapid Shine had closed down for two days not five days during the repair of the drainage line and one day not two days during the electrical work. The Golden Gate Parking Company added that any credit owed in these areas could only be provided by the City after a review of Rapid Shine's books. The Golden Gate Parking Company additionally refuted Rapid Shine's claim to (1) the \$350 for the advertising sign, indicating that it was in no way responsible for the missing sign and (2) the \$152 for the billing error, which it claimed had been resolved earlier. The Golden Gate Parking Company closed by stating that it was their contention that the amount still due and owed by Rapid Shine for back rent was \$3,508 (\$2,147 for loss of business-drainage line + \$859 for loss of business-electrical work + \$350 for sign + \$152 for billing error).

#### Background on Rapid Shine Tenancy After Sublease Expired

1. On November 5, 1991, Mr. Harry Quinn sent copies of the month-to-month lease agreement to Ms. Morgan. Mr. Quinn advised Ms. Morgan that the rent payment for the month of October was delinquent and requested that this payment along with the November rent payment be remitted in order to avoid further penalties.

2. On November 22, 1991, representatives from the Department of Parking and Traffic, and the Department of Real Estate met with Ms. Morgan and her attorney, Mr. David Phillips, to discuss the following: (1) review rental analysis for payment of outstanding balance owed by Rapid Shine to the Golden Gate Parking Company (2) review allocation of utility charges, (3) payment of outstanding rent (October and November) and (3) review of the month-to-month agreement for signature. Mr. Kevin Hagerty of the Department of Parking and Traffic reports the following outcome of this meeting: (1) agreement was reached with Rapid Shine that disputes regarding amounts of back rent owed by Rapid Shine to the Golden Gate Parking Company should be resolved between those two parties (2) Rapid Shine agreed to immediately pay to the City its October and November back rents. It was understood that these rents would be paid under protest, because Rapid Shine maintained that the terms and conditions of the new garage operator lease (effective October 1, 1991) had placed a greater financial obligation on Rapid Shine without a corresponding drop in minimum rent. Such new conditions included Rapid Shine's payment of parking charges, water charges, separate utility charges (under the sublease, utilities were included in the \$885/month rent) and maintenance of the garage staff restroom, and (3) Mr. Hagerty agreed to ask the Department of Real Estate to reevaluate Rapid Shine's minimum monthly rent, taking into consideration the above-noted changes in the new garage operator's lease. If it was determined that the current \$885 minimum rent was inappropriate, Mr. Hagerty agreed to recommend to the Parking and Traffic Commission that a new recommended minimum rent be approved and that such new rent be retroactive to October 1, 1991.

3. On December 9, 1991, Mr. Hagerty notified Ms. Morgan reminding her of the issues agreed to at the November 22, 1991 meeting. Mr. Hagerty indicated that a letter had been sent to the Real Estate Department requesting that Rapid Shine's minimum rent be reevaluated and that this evaluation was underway. Mr. Hagerty stated that the Department of Real Estate had not received Rapid Shine's rent payments for October and November as promised and that December's rent payment was now due. Mr. Hagerty reminded Ms. Morgan that it was imperative that she sign the month-to-month lease and submit it together with the rent owed for October, 1991, in order for Rapid Shine to continue its occupancy. Mr. Hagerty added if the lease and the back rent were not received by the deadline, he would have to request that the Department of Real Estate take action to terminate Rapid Shine's tenancy.

4. On January 2, 1992, Mr. Hagerty notified Ms. Morgan in writing that the Real Estate Department had completed their evaluation of Rapid Shine's minimum rent of \$885 and had determined that the rent should be reduced by \$237 to \$648 per month, a 27 percent reduction. Mr. Hagerty stated that the Department of Parking and Traffic would use the \$648 as the lease for the minimum monthly bid when the Department competitively bid out the lease for the auto detailing area. It should be noted that upon further evaluation by the Real Estate Department, the \$648 minimum monthly rental was increased to \$850. This increase did not affect Rapid Shine's monthly minimum of \$648. However, the \$850 was included as the minimum monthly bid amount in the Department's bid package for the auto detailing area. Mr. Hagerty again stated that Rapid Shine must pay the back rent owed and sign the month-to-month lease.

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Mr. Hagerty requested that this be done by January 7, 1992 and advised that if the Rapid Shine failed to do so, the Real Estate Department would have to take appropriate action to have Rapid Shine vacate the premises.

5. On January 7, 1992, at a regularly scheduled Parking and Traffic Commission meeting, according to the Commission Meeting Report, Ms. Morgan addressed the Commission on two issues: (1) Rapid Shine's refusal to sign the month-to-month lease and (2) a request that Rapid Shine be awarded a lease to the auto detailing area on a sole source basis. Ms. Morgan stated that the month-to-month lease was unfair and cited the following reasons for not signing the lease: (1) the mandatory parking charges for Rapid Shine patrons under the new garage operator lease, which resulted in Rapid Shine incurring \$1,750 in parking charges from October 1, 1991 to December 31, 1991. Ms. Morgan stated that no such charges existed under the previous sublease and that under the sublease two parking cards were provided to Rapid Shine for patrons entering the garage. It should be noted that Mr. Hagerty reported that Golden Gate Parking advised the Department of Parking and Traffic that Rapid Shine had been given only one free parking card and had purchased two additional cards at a cost of \$230-\$250 each, (2) cleaning costs in the amount of \$500, which Rapid Shine incurred for additional office space, which Ms. Morgan stated was supposed to have been cleaned prior to Rapid Shine's acquisition of the space and (3) a rent credit of \$2,000 for loss of business in connection with Rapid Shine's closure for a week in connection with electrical work. It should be noted that Ms. Morgan had previously requested rent credit and reimbursement in the amount of \$859 for loss of business for two days in connection with this event. According to Ms. Morgan, the actual number of days that Rapid Shine was closed down as a result of this event was four days. However, the Real Estate Department maintains that Rapid Shine experienced a loss of business for a total of two days. The Director of the Parking Authority stated that Department staff had not been given the opportunity to clean the office space area because Rapid Shine took possession of the space without the staff's knowledge. The Director advised that Rapid Shine was not paying additional rent on the space and that no formal month-to-month agreement had been signed for the space occupied by Rapid Shine. Regarding reimbursement for lost income while Rapid Shine was closed, the Director of the Parking Authority stated that there is no provision in any City parking lease which would allow a tenant to recover costs from the City because of loss of business due to closure. Mr. Quinn reported that the rent reduction (\$885 to \$648) includes the costs for two parking cards to permit Rapid Shine patrons to enter the garage at no cost. The Commission decided to postpone taking any specific action on the rent owed by Rapid Shine until its regularly scheduled meeting on January 21, 1992 in order to permit staff to meet with Commissioner Chin to draft a workable proposal on the matter. The Commission did however vote to approve recommending to the Board of Supervisors that the lease for the auto detailing area be competitively bid, as opposed to being awarded on a sole-source basis to Rapid Shine.



6. The meeting between Commissioner Chin and staff was held and a proposal was agreed upon (Ms. Morgan was notified of this proposal by letter on January 14, 1992), as follows:

Rent due from October 1, 1991 through January 31, 1992 @ \$648/month	\$2,592
Less: Credit for 4 months @ \$200/month	<u>800*</u>
Total rent owed by Rapid Shine	\$1,792

\*This \$800 credit was allotted to Rapid Shine to off-set all credit claims Rapid Shine had made under the sublease as well as under the informal tenancy with the City. In exchange for this credit, Rapid Shine was expected to release the City from all such claims.

Ms. Morgan responded to this proposal in a letter to the Parking and Traffic Commission dated January 16, 1992. Ms. Morgan stated in the letter that while the most recent proposal from the Parking and Traffic Department addressed some of Rapid Shine's concerns, it did not fully compensate for expenditures which had been incurred by Rapid Shine. Ms. Morgan provided the following calculations for the rent credit owed to Rapid Shine:

Rent for four months (October, November, December 1991 and January 1992) at \$648/month	\$2,592.00
Less parking fees paid for four months	(1,750.00)
Less cleaning costs for office	(500.00)
Less rent credit	(85.65)
Less loss of business during electrical work	<u>(1,108.71)</u>
Total	\$(852.36)*

\*Based on this calculation by Rapid Shine the Parking and Traffic Department would owe Rapid Shine \$852.36.

7. At the Parking and Traffic Commission meeting on January 21, 1992, the Director of the Parking and Traffic Commission reported on the terms of the proposal agreed upon by Commissioner Chin and the Department staff. In addition, he reported that a check (in the amount of \$885) submitted by Rapid Shine to the Real Estate Department had been returned for insufficient funds by the bank. According to Ms. Morgan, the check was returned due to an error at the bank. Ms. Morgan requested that Rapid Shine be given rent credit based on her calculations presented in her January 16, 1992 letter, which indicated that the Parking and Traffic Department actually owed Rapid Shine \$852.36. After some

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discussion on the part of Commission members, Ms. Morgan and staff, the Commission voted to approve the proposal drafted by Commissioner Chin and the Department staff. Commissioner Chin suggested that the total \$1,792 in rent owed by Rapid Shine be paid to the Real Estate Department by guaranteed check no later than January 24, 1992. The Chair of the Parking and Traffic Commission asked Ms. Morgan if she were in agreement. Ms. Morgan indicated that she would stand by what was agreed upon but noted that she wanted the Commission to consider the facts as set forth in her letter dated January 16, 1992. The Chair noted for the record that the facts set forth in Ms. Morgan's letter of January 16, 1992 were considered at the January 7, 1992 meeting.

8. On January 22, 1992, Mr. Anthony DeLucchi of the Real Estate Department notified Ms. Morgan that in accordance with the Parking and Traffic's Commission's meeting on January 21, 1992, he was enclosing a month-to-month lease for the auto detailing area at the Golden Gate Garage. Mr. DeLucchi advised that in order to forestall any further action, that Ms. Morgan should sign the lease and return it by January 24, 1992, with a cashier's check in the amount of \$1,802 (\$1,792 rent due plus \$10 for the returned check).

9. On February 7, 1992, Mr. Hagerty of the Department of Parking and Traffic advised Ms. Morgan that he was writing on behalf of Rina Cutler the Director of the Parking and Traffic Department. Mr. Hagerty stated that the Department had not received the back rent due. Mr. Hagerty noted that the amount of back rent owed by Rapid Shine was now \$2,450, including \$648 for February rent which was now due and payable. Mr. Hagerty advised that unless Rapid Shine submitted a cashier's check in the amount of \$2,450 and signed the month-to-month lease by February 10, 1992, it was the Department's intention to start eviction proceedings on February 11, 1992.

10. On February 27, 1992, Mr. Tim Johnson of the Department of Parking and Traffic, as a follow-up to the Finance Committee meeting on February 26, 1992, notified Ms. Morgan in writing to reiterate a proposal he had presented at the Finance Committee meeting. Mr. Johnson advised Ms. Morgan that he would be prepared to recommend to the Parking and Traffic Commission that the Department not proceed with plans to evict Rapid Shine from the Golden Gateway Garage if (1) Ms. Morgan executed the month-to-month lease sent to Rapid Shine on January 22, 1992 (additional copies of this lease were enclosed with the correspondence) and (2) Ms. Morgan paid the Department of Parking and Traffic \$2,888 for all outstanding and current rent owed, by certified check, no later than March 3, 1992. Mr. Johnson stated that the \$2,888 included a \$200 per month credit for the months of October, November, December of 1991 and January and February of 1992 for a total of \$1,000 credit. Mr. Johnson advises that the credit is intended to be a settlement of all claims Rapid Shine has or may have dating from the sublease and including all transactions between Rapid Shine and the City. Mr. Johnson advised that in exchange for this credit, Ms. Morgan would be expected to give the City a release from all such claims and that the City Attorney's Office is currently drafting a release form in this regard. Mr. Johnson closed by stating that, as previously indicated, the Department of Parking and Traffic would like to permit Rapid Shine to continue to operate the detailing area

at the Golden Gateway Garage until a new lease is awarded, utilizing competitive bidding procedures for the detailing area.

### Comments

1. Mr. Kevin Hagerty of the Department of Parking and Traffic had previously reported that Rapid Shine had not paid any back rent for the period October 1, 1991 to February, 1992. As noted above, Rapid Shine was given a new deadline of March 3, 1992, in which to remit \$2,888 in back rent owed to the Department of Parking and Traffic. Ms. Claudine Venegas of the Real Estate Department reports that a 30-day notice of eviction has been prepared by the Department and is awaiting the signature of the Director of the Department of Real Estate.

2. As noted above, Rapid Shine had requested that it be awarded the lease for the auto detailing area on a sole source basis. The Department of Parking and Traffic requested that the Human Rights Commission (HRC) provide the Department with information and guidelines regarding the awarding of the lease on a sole source basis. The Department of Parking and Traffic has historically placed leases out for competitive bid pursuant to Charter Section 7.4. Additionally, Mr. Hagerty advised that the Parking and Traffic Commission was advised by the City Attorney that the lease legally had to be competitively bid. Mr. Edwin Lee of HRC advised the Department of Parking and Traffic that the present MBE/WBE/LBE ordinance does not directly apply to leases and concessions. As such, HRC would have limited oversight in this regard and sole source waivers would not come under HRC jurisdiction. Mr. Lee noted, however, that under the "Good Faith Efforts" clause of the ordinance, and in keeping with the spirit of and intent of the ordinance, departments should conduct good faith outreach to encourage MBEs/WBEs to compete for available leases. Mr. Lee also stated that HRC had determined that there are competent minority and women-owned firms available to conduct auto detail type services in San Francisco, although there were no certified MBEs/WBEs in this specific service area. Mr. Lee followed up this initial response to the Department of Parking and Traffic by advising the Department that Ms. Morgan of Rapid Shine had emphasized to HRC her desire to continue the lease. Ms. Morgan cited examples of how her firm had assisted disadvantaged women and minorities. Mr. Lee asked that, while legal requirements may dictate the necessity to competitively bid the lease, the Department of Parking and Traffic should take the above into consideration in light of good faith considerations.

3. Mr. Hagerty advises that when the Department made the decision to have a separate lease for the auto detailing area, the Department decided to install separate meters so that the utilities for the auto detailing area could be monitored separately from those of the garage operation and thereby eliminate confusion over the amount of utilities used by each. Ms. Morgan reports that Rapid Shine's utility costs have been minimal since the start-up of operation. Ms. Morgan advises that Rapid Shine's average cost per day for utilities since the meters were installed has been \$.50 or \$11.00 per month. Based on this cost, Ms. Morgan questioned the cost effectiveness of the Department of Parking and Traffic's decision to install the meters at a cost which exceeded \$5,000 and according to Ms.

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Memo to Finance Committee  
March 4, 1992

Morgan, resulted in a loss of business for Rapid Shine, while the electrical work was being performed.

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Item 6 - File 47-92-1

**Note:** This item was continued by the Finance Committee at its meeting of February 26, 1992.

**Departments:** Department of Parking and Traffic  
Real Estate Department

**Item:** The proposed ordinance would approve and adopt the Golden Gateway Garage Automobile Detailing legal documents and authorize the Director of Property to issue an Invitation for Bids for a new lease.

**Description:** The automobile detailing area at the Golden Gateway Garage, located at 250 Clay Street was previously subleased to Rapid Shine Auto Detail by the former garage operator, Golden Gate Parking Company. This sublease expired, upon the termination of Golden Gate Parking's lease with the City, on September 30, 1991. Under the terms of the sublease, Rapid Shine paid Golden Gate Parking Company a monthly rental amount of \$885 plus 10 percent of gross revenues over \$8,500. Of the \$885 minimum monthly rental, approximately 80.674 percent or \$714 was paid by Golden Gate Parking Company to the City. The City was also entitled to 80.674 percent of the 10 percent gross revenues over \$8,500. The auto detailing area consists of a carwash area of 2,330 square feet plus an office/storage/restroom area of 529 square feet, for a total of 2,859 square feet.

As noted above, the auto detailing area was previously subleased by Golden Gate Parking Company, the operator of the Golden Gateway Garage. The Department of Parking and Traffic reports that when the Golden Gate Parking Company lease expired, the Department made the decision that the automobile detailing area should be established as a separate lease from the garage parking operation, in order that the City could directly administer this lease, instead of the garage operator. Under this new arrangement, additional square footage was added including an office and employee restroom. Additionally, separate meters were installed so that utilities for the auto detailing area could be monitored separately from those of the garage and the auto detailer would be directly responsible only for the actual cost of the utilities used. The Department's decision to establish separate leases was prompted by complaints from Rapid Shine that certain actions taken by the Golden Gate Parking Company with respect to its administering of the sublease, were undermining Rapid Shine's ability to operate effectively.

Under the proposed lease documents, the new lessee of the auto detailing area would be required to pay the City a minimum monthly rental of no less than \$850 (bid item) or 7 percent of gross revenues, whichever is greater. The \$850 represents a decrease of \$35 from the previous minimum monthly rental of \$885. Additionally, the previous requirement that the lessee pay 10% of gross revenues over \$8,500 has been eliminated. However, the proposed lease includes a provision for 7 percent of the gross revenues, if this monthly amount exceeds the \$850 monthly minimum, a provision which is not currently in the existing lease. The Real Estate Department reports that the \$850 represents the current fair market rental value for the auto detailing area.

**Comment:**

Rapid Shine, a MBE firm, has requested that it be awarded the proposed lease on a sole source basis. The Department of Parking and Traffic reports that it has always placed leases out for competitive bid pursuant to Charter Section 7.4. Mr. Edwin Lee of the Human Rights Commission (HRC) advises that the present MBE/WBE/LBE ordinance does not directly apply to leases and that sole source waivers would not come under HRC's jurisdiction.

**Recommendation:** Approve the proposed ordinance.

Item 7 - File 101-91-50

**Department:** Sheriff

**Item:** Ordinance appropriating \$1,832,309 to the Sheriff's Department for overtime, professional and special services, other equipment rentals, subsistence-persons (rented jail beds), training, increased revolving fund, automotive vehicles and Department of Public Works Bureau of Building Repair fees.

**Amount:** \$1,832,309

**Description:** The City and County of San Francisco is under a Federal Court Order to maintain the population of County Jail #1, located at the Hall of Justice, below 426 inmates per day. For each prisoner in County Jail #1 above that number, the Federal Court could impose a penalty of \$300 per day on San Francisco. According to the Sheriff's Department, the jail population typically exceeds that number three to four months each year. However, this year, the jail populations have been higher than in other years, so that the population of County Jail #1 has exceeded capacity almost every month. For the six month period of August 1, 1991 to February 1, 1992, the Sheriff reports that the population of County Jail #1 has exceeded its legal capacity 6,696 times, or an average of approximately 24 inmates over the legal capacity per day. The fine to the City for exceeding capacity 6,696 times, at \$300 each time, could have been \$2,008,800 for that six month period. However, fines have not yet been imposed because the City Attorney is appealing the Court Order; a decision will be issued by the Court in March (see below).

The proposed supplemental appropriation would provide funds to rent jail beds in Alameda County, purchase a 15-passenger van and would allow the Sheriff's employees to continue to work overtime hours to accommodate the increased jail population, as well as funding boiler rental costs and related Bureau of Building Repair fees for the San Bruno Jail Complex and supplementing outside training costs. Specifically, the appropriation would be allocated as follows:



Rented jail beds	\$905,244
Automotive Vehicles	40,000
Overtime	821,365
Outside training	29,700
Equipment Rental (boiler)	18,000
Department of Public Works Bureau of Building	
Repair Fees (boiler pad and hook-ups)	<u>18,000</u>
Total Budget	\$1,832,309

**Comments:**

1. The Controller, the Mayor's Director of Finance and the Budget Analyst issued a joint report concerning this year's 1991-92 budget. An amount of \$1 million was included for the Sheriff's budget to relieve jail overcrowding, with the intent that those funds be used to rent beds in Alameda County.

2. The title of the proposed ordinance indicates that funds would be appropriated to increase the Sheriff's revolving fund and to fund professional and special services by supporting legal interns. However, the Mayor did not approve the increase to the revolving fund or the legal interns originally proposed by the Sheriff. Therefore, the words "increase revolving fund" and "professional and special services" should be removed from the title of the proposed ordinance.

3. Lt. Jan Dempsey of the Sheriff's Department reports that the Sheriff has received bids from two counties, Alameda and Contra Costa, to provide jail beds. Contra Costa County could provide 100 beds immediately, including 50 for \$52 per bed per day at Marsh Creek in Clayton, which could be occupied only by low security inmates sentenced for misdemeanors, and 50 for \$69.08 per bed per day in the West County Jail in Richmond for any inmate. An agreement with Contra Costa County would not involve a commitment beyond the end of the 1991-92 fiscal year. Alameda County could provide a minimum of 200 beds in its North County facility for \$63.10 per bed per day. Alameda County beds would not be available until March 30, 1992 if the Finance Committee approves the proposed ordinance at its March 4, 1992 meeting. If the City elected to rent only 100 beds from Alameda County, the per diem per bed rate would increase to \$75. Any agreement with Alameda County would begin March 30, 1992 after approval by the Board of Supervisors and would continue for over a year, until June 30, 1993. The Sheriff's Department is currently discussing plans for reducing travel costs, for example, by holding meetings with prisoners at the Hall of Justice rather than sending District Attorneys to the jails.

4. The Sheriff's Department is considering four possible alternative combinations for renting jail beds from Alameda and/or Contra Costa County, as follows:

A.	50 beds @ Marsh Creek (Contra Costa County) @ \$52 per day from 3/10-6/30 (112 days)	\$291,200
	50 beds @ West County (Contra Costa County) @ \$69.08 per day from 3/10-6/30 (112 days)	386,848
	100 beds @ Alameda County @ \$75 per day from 3/30-6/30 (93 days)	<u>697,500</u>
		\$1,375,548
B.	50 beds @ Marsh Creek (Contra Costa County) @ \$52 per day from 3/10-3/30 (21 days)	\$54,600
	50 beds @ West County (Contra Costa County) @ \$69.08 per day from 3/10-3/30 (21 days)	72,534
	200 beds @ Alameda County @ \$63.10 per day from 3/30-6/30 (93 days)	<u>1,173,660</u>
		\$1,300,794
C.	200 beds @ Alameda County @ \$63.10 per day from 3/30-6/30 (93 days)	\$1,173,660
D.	50 beds @ Marsh Creek (Contra Costa County) @ \$52 per day from 3/10-6/30 (112 days)	\$291,200
	100 @ Alameda County @ \$75 per day from 3/30-6/30 (93 days)	<u>697,500</u>
		\$988,700

All four of these possible combinations exceed the estimated amount of this supplemental appropriation request for jail bed rental, at \$905,244. One alternative for staying within the \$905,244 budget would be to rent 200 beds from Alameda County for approximately 71 days only, beginning April 21, 1992.

However, the City Attorney would prefer that the City begin renting jail beds before March 10, 1992, when the Federal District Court is scheduled to hear the City Attorney's appeal. The Contra Costa County beds would be available immediately. If the City elects to rent some beds from Contra Costa County, additional beds would need to be rented from Alameda County at the higher \$75 per diem rate. Thus, it would be more costly to rent beds from a combination of Contra Costa and Alameda Counties. In addition, it would be more difficult and costly to coordinate prisoners at three different sites, two sites in Contra Costa County and one site in Alameda County instead of one overall site. If the City rents some beds from Alameda County and some from Contra Costa County, the agreement with Contra Costa County would expire June 30, 1992. The City could rent a

minimum of 200 beds per day from Alameda County until June 30, 1992 at \$63.10 per diem.

5. According to Lt. Dempsey, the Sheriff will consider both the necessity for reducing costs and for making the best-faith effort to reduce jail overcrowding in choosing the combination of beds to be rented from Alameda County and/or Contra Costa County. However, since the Sheriff's Department has not yet made a decision regarding the allocation of funds and jail beds, the proposed \$905,244 for rented jail beds should be reserved pending selection of a contractor (Alameda County or Contra Costa County) and finalized cost details.

6. As noted above, if the Sheriff enters into an agreement with Alameda County to rent jail beds, that agreement would continue until June 30, 1993. The costs for renting jail beds for FY 1992-1993 would be approximately \$4.6 million for the jail beds alone, or 200 beds per day times \$63.10 times 365 days, to be funded from the General Fund. This amount does not include the additional transportation officers, which the Sheriff has requested in his fiscal year 1992-93 budget, at a total cost of approximately \$287,000. If the Board of Supervisors approves the proposed supplemental appropriation ordinance, the Board would also be indicating its approval for continuation of this jail bed rental program in the fiscal year 1992-93 budget.

7. The \$40,000 budgeted for automotive vehicle purchase would fund the purchase of a 15-passenger van to transport prisoners to and from Alameda County. According to Lt. Dempsey, the Department needs only one 15-passenger van, while \$40,000 would purchase two passenger vans. Therefore, the Automotive Vehicle Purchase portion of the proposed supplemental appropriation ordinance should be reduced by \$20,000. The Department has requested that the Mayor present an amendment of the whole transferring that \$20,000 from Vehicle Purchase to rental of jail beds.

8. Lt. Dempsey reports that \$821,365 in overtime funds are required because the Sheriff's Department has used all its budgeted overtime to accommodate the increased number of jail inmates. In order to continue to handle the large influx of prisoners, Lt. Dempsey advises, the Sheriff's Department must continue to use overtime hours through the end of the fiscal year. In addition, in April 1991, the City was held in contempt for falling below mandated staffing levels at County Jail No. 7. Part of these overtime funds are needed to maintain these staffing levels. Lt. Dempsey advises that even with 200 new beds, the Sheriff would still require the same

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number of overtime hours, because the overcrowding is severe and there is no indication that it will lessen. For example, the capacity of the County Jail system is 1,652, but the population is currently 2,220. Thus, even if the population of the jail system was reduced by 200, the jail system would still be overcrowded and require overtime staff.

Included in the Sheriff's 1991-92 budget was \$663,829 for overtime and holiday pay. As of January 31, 1992, the Sheriff had expended \$634,706 of these funds. Thus, the Sheriff expended an average of \$90,672 per month for overtime and holiday pay over the seven month period from July 1, 1991 to January 31, 1992. Based on an average of \$90,672 per month, the Budget Analyst calculates that the Sheriff would need \$453,360 for the five remaining months of fiscal year 1991-92. However, Lt. Dempsey reports that the Sheriff will require \$933,390 in overtime costs, or an average of \$186,678 per month for the five remaining months of the fiscal year. The following is a list of costs projected for overtime and holidays: (a) from January 31, 1992 to February 14, 1992 the Sheriff has already incurred overtime expenses of \$270,000; (b) supervision of two new major construction projects at the Hall of Justice, estimated to cost \$141,804; (c) supervision of prisoners in overflow housing areas, at \$106,938; (d) compensating for staffing shortages resulting from long term disability at County Jail No. 1, and for staffing shortages at County Jails Nos. 2, 3 and 7 resulting from increased visitors and/or expanding populations, at \$257,751; (e) additional staff to contain violence, which increases as a result of overcrowding, at \$73,710; (f) overcrowding has increased clinic appointments and medical emergencies, requiring one additional staff on overtime five days a week, at \$22,815; (g) additional staff for transporting prisoners to and from the rented bed facility, at \$18,252; and (h) additional personnel for courtroom security for the high security trial of two men charged with over 100 counts of robbery and assault, who have a history of plotting escape, at \$42,120.

The total of these overtime costs equals \$933,390, or \$112,025 more than the \$821,365 for overtime requested under this supplemental appropriation. The Sheriff has stated that the Department will not exceed the \$821,365 requested.

9. The proposed supplemental appropriation ordinance includes \$29,700 in outside training costs. These costs are entirely separate from the problem of jail overcrowding. According to Lt. Dempsey, the State Commission on Peace Officers Standard Training (POST) has reduced its subsidy to the Sheriff's Department for officer training due to State budget cuts. As part of the subsidy reduction, POST will

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reimburse the City for a maximum of 480 hours of training per person, although every academy in the State exceeds 480 hours. POST has also set a \$41 maximum per diem, and has eliminated salary reimbursements for those in training. In the past, the Sheriff has paid enrollment fees, books, uniforms, and living expenses from salary reimbursements for trainees, so that training was entirely supported by POST. Lt. Dempsey advises that the Sheriff has requested increased funds for training to compensate for these reductions in the 1992-93 budget. The \$29,700 would fund ten trainees for enrollment fees, books, uniforms, and living expenses, at a total of \$2,970 each.

10. The Board of Supervisors approved funds in the amount of \$55,000 in fiscal year 1990-91 to install a new rented boiler at the San Bruno Men's Jail. However, according to Lt. Dempsey, the Department of Public Works installed a boiler at the Men's Jail which was too small. The smaller boiler rented at a cost of \$3,000 per month. Based on the advice of the DPW, the Sheriff's budget then included \$48,000 for boiler rental for 1991-92, for a medium-sized boiler, at \$4,000 per month. However, DPW later advised the Sheriff that a new, larger boiler, at a cost of \$6,000 per month, was required. As a result of these changes, the total cost for fiscal year 1991-92 boiler rental will be \$66,000, or two months at \$3,000 and 10 months at \$6,000, for a total of \$66,000. Therefore, the Sheriff is underfunded in the amount of \$18,000 (\$66,000 required less \$48,000 budgeted) for boiler rental costs. In addition, although the DPW mismeasured the boiler, the Bureau of Building Repair is charging the Sheriff \$18,000 to install new pads and hook-ups for the larger boiler.

The boiler would be rented rather than purchased because the Sheriff may introduce legislation to create a bond issue to build a new San Bruno Men's Jail. Until a decision is made regarding the future of the current San Bruno Men's Jail, no large purchases are being made.

- Recommendations:**
1. Remove the words "increase revolving fund" and "professional and special services" from the title of the proposed ordinance.
  2. Amend the proposed ordinance to reserve \$905,244 for rented jail beds pending selection of a contractor (Alameda County or Contra Costa County) and submission of finalized cost details. If an Amendment of the Whole is introduced to increase the jail bed rental funds by \$20,000, reserve \$925,244 for rented jail beds.



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March 4, 1992

3. If no Amendment to the Whole is introduced, reduce the proposed supplemental appropriation by \$20,000 for Automotive Vehicles.
4. Approve the proposed ordinance, as amended.



Item 8 - File 101-91-51

**Department:** Office of the Public Administrator/Public Guardian

**Item:** Supplemental Appropriation Ordinance for permanent salaries, related mandatory fringe benefits, other contractual services, other services, telephone and material and supplies.

**Amount:** \$17,730

**Source of Funds:** General Fund - General Reserve

**Description:** The proposed supplemental appropriation ordinance would appropriate \$17,730 for various program operating costs for the Day Laborers Program, which is administered by the Office of the Public Administrator/Public Guardian. The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-74) which provided \$70,000 for one year of funding (April 1, 1991 through March 31, 1992) for the newly created Day Laborers Program. A General Fund - Day Laborers Program Reserve was established in the FY 1990-91 budget to implement a Day Laborers Program on a one-year trial basis. The supplemental appropriation, which the Board of Supervisors previously approved (File 101-90-74), appropriated funds from this reserve to initiate the Day Laborers Program on a one-year trial basis, in order for the Board of Supervisors to evaluate the program's effectiveness. The proposed supplemental appropriation ordinance would continue funding for the Day Laborers Program beyond the one-year trial basis period from April 1, 1992 through June 30, 1992.

The Day Laborers Program provides a meeting site in the City for laborers to obtain work. The program is aimed at 1) setting up and organizing a system for job distribution, 2) developing a list of employers and employment resources, 3) utilizing media outreach and public relations and 4) providing information regarding social services, job and language training and other benefits to laborers, including information regarding legal rights in the workplace and immigration law. The proposed supplemental appropriation ordinance would pay for the costs associated with the Day Laborers Program from April 1, 1992 through June 30, 1992, as detailed below:

Personnel

Staff Assistant I (37.5 hrs/week at \$13.24 hr @ for 13 weeks)	\$ 6,453
Staff Aide II (37.5 hrs/week at \$11.40 hr @ for 13 weeks)	5,558
Fringe Benefits	<u>1,983</u>
Total Personnel	\$13,994

Operating Expenses

Local Travel Expenses	\$ 180
Equipment Maintenance (including computer)	501
Electricity	135
Telephone	240
Postage	480
Printing	1,110
Trailer Rental (17th & Hampshire Sts.)	600
Materials and Supplies	<u>490</u>
Total Operating Expenses	\$ 3,736

Total Supplemental Appropriation \$17,730

**Comments:**

1. The Office of the Public Administrator/Public Guardian completed a 1991 Operational Report of the Day Laborers Program. The report stated that during April and May of 1991, the project was set up administratively, and the remaining seven months in calendar year 1991 beginning in June, 1991 through December, 1991, the actual program operations occurred. The report stated that in total, "during seven months of operation (June, 1991 through December, 1991), 10,135 laborers were serviced by the program, and 1,098 jobs were distributed". On average, the number of jobs distributed, or jobs obtained through the Day Laborers Program, increased from approximately four jobs per day during July, 1991, to approximately seven jobs per day in November, and to approximately five jobs per day in December. A breakdown of the worker assistance provided for seven months is as follows:

<u>Month</u>	<u>No. Assisted*</u>	<u>Jobs Received</u>	<u>Avg. Hourly Rate</u>
June	770	98	\$ 9.62
July	1,221	151	\$14.80
August	1,865	222	\$21.76
September	1,684	159	\$15.59
October	1,686	142	\$13.92
November	1,617	193	\$18.92
December	<u>1,292</u>	<u>133</u>	\$13.03
Total	10,135	1,098	

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\*One laborer may be counted more than once over several months, and assistance received may be other than job assistance, such as English classes, or referrals to legal or social service agencies.

2. The 1991 Operational Report, completed by the Public Administrator/Public Guardian, also indicated that other activities included English classes for workers, a "job fair", the formation of the "Latino Association of Workers" which addresses workers issues including salary and working conditions, the formation of a "job bank" which integrated prospective laborers and independent contractors, and a media campaign which included the distribution of flyers and posters throughout the City. Mr. Ricardo Hernandez, Public Administrator/Public Guardian reports that the jobs acquired were laborer positions which included painting, moving or yard work. Mr. Hernandez also reports that a job may last a minimum of approximately four hours or may last several days. Mr. Hernandez indicates that without the program, many of these laborers would be forced back onto the streets without a means of identifying potential employment.

3. The Day Laborers Program provided the Budget Analyst with written data verifying the number of laborers assisted and a list of employment referrals provided by the Day Laborers Program. Based on our review of the materials provided by the Day Laborers Program, the Budget Analyst concurs that the above-listed statistics provided in the 1991 Operational Report are approximately correct. The average salary information was not verified because several of the employment referrals did not list the salary.

4. As noted, the reserve established in the FY 1990-91 budget to initiate the Day Laborers Program only provided funding for the program from April 1, 1991 through March 31, 1992. In addition, Ms. Michelle McCabe of the Office of the Public Administrator/Public Guardian reports that the Department does not have sufficient funds elsewhere in its FY 1991-92 budget to continue the program through June 30, 1992. Mr. Hernandez reports that without the proposed supplemental funding, existing staff on the project would be laid off and the Day Laborers Program would not continue.

5. Ms. McCabe also reports that the Office of the Public Administrator/Public Guardian will request approximately \$150,000 in its FY 1992-93 budget for the Day Laborers Program. As noted, the reserve established to initiate the Day Laborers Program for one year was \$70,000. Ms. McCabe indicates that the Department is requesting an additional

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\$80,000 in funds for FY 1992-93 for one additional Staff Assistant I (\$1,059 biweekly), one additional Staff Aide II (\$912 biweekly) and also for additional operating expenses to expand the Day Laborer Program and to reach a greater number of potential workers. If approved by the Mayor in the FY 1992-93 budget, the Budget Analyst will evaluate the requested increase during the 1992-93 budget review for the Finance Committee.

6. As noted, the Day Laborers Program has been funded through March 31, 1992 on a one-year trial basis, in order for the Board of Supervisors to evaluate the program's effectiveness. Therefore, the proposed ordinance, which would continue ongoing funding for the Day Laborers Program, is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed ordinance, which would continue ongoing funding for the Day Laborers Program beyond the one-year trial period, is a policy matter for the Board of Supervisors.

Items 9 and 10 - Files 101-91-47 and 102-91-15

**Department:** Department of Public Health (DPH)  
Mental Health and Substance Abuse Divisions

**Item:** Ordinance appropriating \$4,468,423 for permanent salaries - miscellaneous and related mandatory fringe benefits, overtime, medical services contract and printing, for the creation of nine positions for fiscal year 1991-92 (File 101-91-48).

Ordinance amending the 1991-92 Annual Salary Ordinance to reflect the addition of nine positions in the Department of Public Health (File 102-91-15).

**Amount:** \$4,468,423

**Source of Funds:** State Drug Medi-Cal  
State subventions  
Federal Alcohol Immigration Reform Control Act (IRCA)  
Federal subventions

**Program:** Community Substance Abuse

**Description:** Each year Community Substance Abuse Services (CSAS) prepares an annual City budget based on the sources and levels of funding it anticipates for the coming year. In general, there are no significant unexpected changes in State or Federal funding amounts or specific requirements from these sources. However, in fiscal year 1991-92, several significant changes occurred in the State Department of Alcohol and Drug Programs' (DADP) allocation to San Francisco. Specifically, the DADP shifted \$3,018,272 from State General Fund and Waiting List Reduction Grant funding to Federal subventions. In addition, the State has allocated \$1,450,151 to the City in new funds, including \$540,151 for new perinatal services, and \$910,000 for new ex-offender services. The \$540,151 for perinatal services is to be used for pregnant and postpartum substance abusing women and their children. The ex-offender funds are to be used to provide substance abuse services for newly released San Franciscan offenders from San Quentin prison. The State is funding those released from San Quentin rather than San Francisco county jails because San Quentin is a State prison, and the State is funding programs to release inmates from its prisons. The balance of funds, besides the ex-offender and perinatal services, support drug and alcohol treatment to San Francisco residents, including outpatient, residential, detox and prevention services. The changes of \$3,018,272 plus \$1,450,151 total \$4,468,423.

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The following is a summary of the budget adjustments that the proposed supplemental appropriation would approve:

	<u>Amount</u>
1. An increase of \$263,608 in Drug Medi-Cal funding from the current budget.	\$263,608
2. A reduction of \$322,856 in State General funds.	(322,856)
3. A reduction of \$3,220 in Federal School-Community Primary Prevention (SCPPP) funds, to be replaced by Federal subventions of \$2,814, for a net loss of \$406.	(406)
4. An increase of \$822,901 in Federal subventions to offset the Waiting List Reduction Grant programs and offset the reduction in State General funds.	822,901
5. A shift of \$2,243,401 from Federal grants to State subventions.	2,243,401
6. An \$910,000 allocation to provide substance abuse services for ex-offenders leaving prison as directed by DADP.	910,000
7. A \$540,151 allocation to provide perinatal substance abuse services as directed by DADP.	540,151
8. An increase of \$11,624 in Alcohol IRCA funds which should have been included in the original budget submission but were inadvertently left out.	<u>11,624</u>
<b>TOTAL</b>	<b>\$4,468,423</b>

**Positions to be  
Added:**

<u>Class</u>	<u>Title</u>	<u>FTE</u>	<u>Maximum Bi-weekly Salary/Class</u>	<u>Total Maximum Annual Salaries</u>
1823A	Sr. Admin. Analyst	2.0	\$2,084	\$108,785
2218A	Physician Assistant	1.0	2,094	54,653
2305A	Psychiatric Technician	2.0	1,342	70,052
2587A	Health Worker III	<u>4.0</u>	1,226	<u>127,994</u>
<b>Total</b>		<b>9.0</b>		<b>\$361,484</b>

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**Comments:**

1. Approval of the proposed supplemental appropriation would require no additional General Fund monies, since the funds consist entirely of Federal and State subventions.

2. All of the positions that would be added to the Annual Appropriation Ordinance already exist as grant-funded positions that were funded under the categorical grants noted above. The proposed ordinance would create these nine positions as permanent positions, which would remain in the Annual Salary Ordinance regardless of funding levels. Therefore, the positions should be changed from "A" positions to "L," or limited positions, so that the positions would remain in the Annual Salary Ordinance only if such Federal or State funding continues.

3. The additional funds for ex-offender services and perinatal services would consist entirely of contractual services. The budget for the ex-offender funds is as follows:

<u>Agency</u>	<u>Amount</u>
Forensic Health Care	\$35,811
Eclectic Communications	54,573
Center on Juvenile Criminal Justice	98,387
Baker Places	104,939
Walden House	342,286
Haight Ashbury Free Medical Clinic (HAFMC)	210,524
Bay View Hunter's Point Foundation	52,869
Suicide Prevention	<u>10,611</u>
TOTAL	\$910,000

The budget for perinatal services is as follows:

<u>Agency</u>	<u>Amount</u>
Westside-Inner City	\$35,000
Women's Institute	114,867
Tom Smith Substance Abuse Treatment Center	145,884
HAFMC - Detox	165,000
Horizons	<u>79,400</u>
TOTAL	\$540,151

According to Ms. Monique Zmuda of Community Substance Abuse Services, all of the proposed contractors except Forensic Health Care, Eclectic Communications, and the Center on Juvenile Criminal Justice already contract with Community Substance Abuse Services, and have agreed to

expand their scope of work. Ms. Zmuda advises that contractors were selected by the State, through proposals developed by the contractors in response to a State request for proposal.

4. Overtime costs, included in the proposed supplemental appropriation at \$9,059, would support one employee in the Tom Smith Center, a 24-hour facility, at all times. The printing costs, at \$7,153, would support a brochure advertising the new ex-offenders and perinatal services.

**Recommendations:** Amend the proposed ordinance (File 102-91-15) to change the positions from "A" positions to "L," or limited tenure positions, so that the positions would remain in the Annual Salary Ordinance only if this funding continues. Approve the proposed ordinance amending the 1991-92 Annual Salary Ordinance to add nine positions to the Department of Public Health, as amended.

Amend the proposed ordinance (File 101-91-47) to change the positions from "A" positions to "L," or limited tenure positions, so that the positions would remain in the Annual Salary Ordinance only if this funding continues. Approve the proposed ordinance appropriating funds in the Department of Public Health, as amended.



Items 11 and 12 - Files 101-91-48 and 102-91-16

**Department:** San Francisco Airports Commission

**Item:** Ordinance appropriating \$60,300 for permanent salaries-miscellaneous, and related mandatory fringe benefits, for the creation of three new positions (File 101-91-48).

Ordinance amending the 1991-92 Annual Salary Ordinance to reflect the addition of three positions (File 102-91-16).

**Amount:** \$60,300

**Source of Funds:** Airport Operating Fund

**Program:** Noise Monitoring Program

**Description:** The Noise Monitoring Program is part of an effort initiated in 1983 to address Airport noise abatement issues, which included a Noise Mitigation Agreement between the San Francisco Airport and surrounding jurisdictions. The Program monitors compliance with Airport rules regarding runway use, responds to requests for exemptions, and responds to complaints concerning Airport noise. The Airports Commission enacted a resolution in July 1991 to create an Airport Nighttime Noise Clearance Center to enhance night time noise abatement activities. The Airport is requesting three new Airfield Safety Officers to staff the Nighttime Noise Clearance Center. The Airports Commission reports that these positions would continue to be funded after fiscal year 1991-92 through the Airport's Noise Abatement Program budget, which is financed by Airport revenues.

The Airports Commission has submitted the proposed \$60,300 request for a supplemental appropriation to fund these three positions (File 101-91-48), and seeks approval of a companion ordinance to amend the Annual Salary Ordinance to add the three Airfield Safety Officer positions (File 102-91-16).

**Positions to be  
Added:**

<u>Class</u>	<u>Title</u>	<u>FTE</u>	1991-92	1991-92 Total
			Maximum Annual <u>Salary/Class</u>	Maximum Annual <u>Salaries</u>
9212	Airfield Safety Officer	3.0	\$44,356	\$133,068

**Budget:**

This request for a supplemental appropriation reflects that three positions were intended to be filled for the period January 1, 1992 to June 30, 1992 at a total cost of \$60,300, as follows:

Personnel - 3 FTEs @ \$3,048.5/mo. x 6 mos.	\$54,873
Fringe Benefits - 9.9 percent of salaries	<u>5,427</u>
Total	\$60,300

**Comments:**

1. Mr. Clayton Scott, Assistant Deputy Director for Airport Operations, reports that the Noise Mitigation Agreement reached in 1983 between the Airport and surrounding jurisdictions includes four principle components: 1) a commitment to reduce Airport noise by monitoring and mitigating noise emissions from aircraft; 2) a home insulation program funded by Federal grant funds, with a 20 percent match from Airport revenues, to mitigate the impact on local residents of aircraft noise; 3) an on-going Roundtable discussion group, comprised of the Mayors of surrounding jurisdictions or their representatives, to address problems of Airport noise; and 4) the imposition of specific requirements that aircraft use those runways designated by the Airport, which are selected to ensure safety and to mitigate noise.

2. According to Mr. Scott, all noise monitoring activities are currently conducted through electronic means from an indoor Noise Abatement Office, which is staffed only during daytime business hours. In addition to receiving complaints from local residents, the Office currently relies on a system of electronic noise censors located in surrounding communities, which record the level of audible aircraft noise along flight corridors, and transmits this information to the Noise Abatement Office. During regular daytime business hours, the staff of the Noise Abatement Office monitors, reviews, and analyzes the information so transmitted, including data collected at night, and investigates the sources and causes of unacceptably high levels of noise in surrounding communities.

3. Mr. Lou Turpen, Director of Airports, states that although significantly more aircraft utilize the Airport during daytime hours than at night, noise abatement issues are not a function of the level of traffic but of the impact of the noise. Mr. Turpen states that nighttime noise is significantly more intrusive, and thus more problematic, than daytime noise, and that the local community has requested stricter enforcement of nighttime noise abatement standards.

4. The three proposed new Airfield Safety Officers would staff an Airport Nighttime Noise Clearance Center, to be located on the airfield, between the hours of 11:00 p.m. and 7:00 a.m. in order to monitor and investigate sources of Airport noise which could potentially be mitigated or which represent violations of airport policies. Mr. Scott emphasizes that by using Airfield Safety Officers located on the airfield, rather than retrospective analyses of electronic data, to monitor aircraft noise, the Airport expects to mitigate the sources of Airport noise more effectively.

Mr. Scott explains that noise monitoring activities of the Airfield Safety Officers will include patrolling the airfield to look specifically for instances of noise abuse, monitoring pilot claims about intended actions and ensuring that actual behavior conforms to their stated intentions, and providing additional input into the choice of runways agreed upon by the pilots and the air traffic controllers. Mr. Scott states that the choice of runways, given weather conditions and wind direction, heavily influences the level of aircraft noise, but he states that pilots frequently request use of the longest runway under any circumstances. The Airfield Safety Officers will assist air traffic controllers in specifying runways in light of both safety and noise abatement concerns.

Mr. Don Whitaker, Superintendent of Operations for the Airport, states that each of the three proposed Airfield Safety officers will work an 8 hour nighttime shift (11:00 p.m. to 7:00 a.m.), 5 days per week. Thus, a total of 15 shifts will be staffed by the three positions. The Nighttime Noise Clearance Center would operate 7 nights per week, and 2 Airfield Safety Officers would be used each night, requiring 14 shifts. The additional employee hours, over and above the projected need for 14 shifts, would accommodate vacation and sick leave, according to Mr. Whitaker. Mr. Whitaker states that two employees are needed each night in order to patrol all areas of the airfield, and to simultaneously monitor incoming complaints and flight data.

5. Mr. Arne Feener of the Airport's Noise Abatement Office states that the number of complaints concerning Airport noise has risen steadily since the early 1980's, from approximately 1,500 complaints per year in approximately 1981-82, to as many as 700 complaints per month, or 8,400 complaints per year in recent years. He states that the Airports Commission has recently approved stricter regulations of airport noise emissions, with standards taking effect in 1991 and becoming increasingly strict over the next several years. Mr. Feener states that it is in partial fulfillment of its own new noise abatement regulations that

the Airport wishes to create and staff the Nighttime Noise Clearance Center.

Mr. Turpen comments that the Airport has imposed the most aggressive noise regulations in the United States in response to complaints from the community concerning Airport noise, with the result that litigation against the Airport concerning noise abatement has essentially ceased over the 1980's, and the number of homes exposed to aircraft noise has fallen from more than 15,000 in 1981 to approximately 6,000 at present. Mr. Turpen reports that there are no outstanding private lawsuits against the Airport concerning noise abatement at the present time, but he states that if the Airport did not continue to adopt and enforce strict noise abatement standards, residents in the local community would resume litigation. Mr. Turpen describes the proposal to create the Nighttime Noise Clearance Center as a pre-emptive measure to avoid such conflict with the community and to forestall further litigation.

Mr. Whitaker states that noise abatement activities are funded by Airport revenues, derived in part from fees paid by the airlines, to offset the negative impacts of airline operations. The Airport has not requested that surrounding jurisdictions contribute funds for noise abatement activities.

Mr. Turpen observes that if noise abatement programs benefit adjacent communities and rely, as they do, on Airport and not General Fund revenues, then the fiscal impact of these programs on the Airport and the City and County of San Francisco can only be positive. When asked about the relationship between stricter noise abatement standards and current planning to expand the Airport's International Terminal, Mr. Turpen responded that any change in Airport operations, including expanding operations in ways which generate additional revenues, can only be achieved by balancing operational issues and environmental concerns.

6. Mr. Turpen states that litigation is currently before the Supreme Court involving a dispute between the Federal Aviation Administration and the Airport over landing rights for the Boeing Q707 cargo plane. The Airport has denied landing rights to this type of aircraft because of the level of noise it generates, according to Mr. Turpen. Mr. Turpen also states that the Boeing Q707 has never been permitted to land at the Airport, and therefore current noise abatement concerns are exclusive of this source of noise.



7. Ms. Helen Lucas, Senior Budget Analyst of the Airport's Operations Division, indicates that the Noise Monitoring Program's 1991-92 personnel budget includes the following positions:

<u>Class</u>	<u>FTE</u>	<u>Salary Amount</u>
5267 Assistant Noise Abatement Officer	1.0	\$58,426
1872 Programmer/Analyst	1.0	45,196
7367 Radio Technician	2.0	119,840
7318 Electronics Maintenance Technician	1.0	59,920
1721 Data Entry Operators (temp./as needed)	6.25	<u>179,553</u>
Subtotal		\$462,935
Fringe Benefits (21 percent)		<u>95,224</u>
Total- Noise Monitoring Program	11.25	\$558,159

Fringe benefits at 21 percent reflect the inclusion of temporary positions which include fewer fringe benefits.

In addition, Ms. Lucas indicates that the budget of the overall Operations Division includes two positions dedicated to the Noise Monitoring Program, the Program's Director and the Director's Secretary, who would be included in the Airport's budget even if the Noise Monitoring Program were eliminated as a separate program. These costs are as follows:

<u>Class</u>	<u>FTE</u>	<u>Salary Amount</u>
5285 Noise Abatement Officer (Program Director)	1.0	\$65,429
1446 Secretary II	<u>1.0</u>	<u>33,254</u>
Subtotal		\$98,683
Fringe Benefits (28 percent)		<u>27,631</u>
Total from Operations Division	2.0	\$126,314

Therefore, total current annual personnel costs at the Airport for noise monitoring activities are:

Noise Monitoring Program	\$558,159
Operations Division	<u>126,314</u>
Total	\$684,473

8. Mr. Scott explains that of the 23 Airfield Safety Officers currently employed by the Airport, none are assigned to the Noise Monitoring Program. It is the responsibility of Airfield Safety Officers to patrol and monitor the airfield, but since safety is a higher priority than noise abatement, none of the existing Airfield Safety Officers can be reassigned, according to Mr. Scott.



9. Ms. Lucas states that the positions are now expected to be filled for three months, for the period April 1, 1992 to June 30, 1992, rather than for six months, as stated in the request for the supplemental appropriation. This period would include 6 biweekly pay periods, according to Ms. Lucas, and each of the new Airfield Safety Officers would receive a biweekly salary, at the first step, of \$1,407. For budgeting purposes, Ms. Lucas assumes that one of the new positions is likely to be filled by a permanent employee transferring from another class, while two will be temporary employees for the remainder of the fiscal year. Total salary and fringe benefit cost for the period would therefore be as follows:

Salaries	
(\$1,407 biweekly x 6 pay periods x 3 employees)	\$25,326
Fringe Benefits - one permanent employee	
(\$8,442 salary x 28 percent)	2,364
Fringe Benefits - two temporary employees	
(\$16,884 x 9.9 percent)	<u>1,672</u>
Total Estimated Cost of New Employees	\$29,362

**Recommendations:** 1. Amend the proposed ordinance (File 101-91-48), by reducing the requested appropriation of \$60,300 for permanent salaries and fringe benefits by \$30,938 to an amount of \$29,362, which is \$25,326 for salaries and \$4,036 for fringe benefits.

2. Approval of the proposed ordinances amending the Annual Salary Ordinance and appropriating additional funds for three new positions at the Airport is a policy matter for the Board of Supervisors.

Item 13 - File 100-91-1.21

**Department:** Airport

**Item:** Release of reserved funds, in the total amount of \$405,975, for professional and contractual services as follows: (1) Polaris Research and Development, to conduct annual passenger survey and to design and conduct special transit survey (\$80,975), (2) B.A. Vallerger, Inc., for professional engineering consulting to evaluate special problems related to the design and construction of asphalt and concrete pavements for runways and taxiways (\$25,000), and (3) the law firm of Morrison & Foerster, for legal services in connection with aircraft noise issues (\$300,000).

**Amount:** \$405,975

**Source of Funds:** Airport Operating Funds

**Description:** During the FY 1991-92 budget process, the Finance Committee recommended that \$405,975, included in the Airport's budget request to fund professional and contractual services be placed on reserve pending the Airport reporting back to the Finance Committee on the MBE/WBE status of the contractors, the estimated hours to be provided and the contractors' hourly rates.

This request includes \$80,975 for Polaris Research and Development to conduct an annual passenger survey and to design and conduct a special transit survey. The Human Rights Commission reports that Polaris Research and Development is a certified MBE firm. Mr. John Martin of the Airport reports that Polaris Research and Development would provide the following estimated hours of service at the following hourly rates: \$39/hr. x 521 hrs. to conduct a passenger survey, \$39/hr x 680 to conduct a transit survey, \$75/hr. x 62 hrs. to design a transit survey, \$30/hr. x 983 hrs. for data entry, for a total of \$80,979 for 2,246 hrs. of service.

This request also includes \$25,000 for B.A. Vallerger, Inc. to provide professional engineering consulting services to evaluate design and construction problems related to the asphalt and concrete runways and taxiways. The Airport reports that B.A. Vallerger is neither a MBE or WBE firm. Mr. Ernie Eavis of the Airport advises that B.A. Vallerger has an existing contract with the Airports Commission and that the \$25,000 represents a contract modification. According to Mr. Eavis, B.A. Vallerger would provide an estimated 193.7 hours of engineering services at \$120/hr. and an estimated

44.9 hours of clerical services at \$39/hr., for a total of \$24,995 for 238.6 hours of service.

Mr. Don Garibaldi reports that the law firm of Morrison & Foerster has been under contract with the Airports Commission for several years to provide legal services in connection with aircraft noise issues. Most recently, according to Mr. Garibaldi, these services have involved the Boeing Q707 controversy with the Federal Aviation Administration and revision of the Airport Commission's Noise Abatement Regulations which will result from the issues involving the Boeing Q707. The Airport is proposing that Morrison and Foerster continue to provide these services under a contract modification in the amount of \$300,000. Morrison and Foerster is neither a MBE or WBE. Mr. Garibaldi advises that Morrison and Foerster charge the following hourly rates:

<u>Position</u>	<u>Hourly Rates</u>
Attorney (Partner)	\$325
Attorney (Partner)	300
Attorney (Partner)	295
Attorney (Partner)	255
Attorney (Partner)	220
Associate Attorney	220
Associate Attorney	165
Associate Attorney	140
Associate Attorney	120

Mr. Garibaldi notes that the contract with Morrison and Forester is not negotiated based on a specific number of service hours. The overall number of service hours which could be provided under this contract would vary depending upon the specific classification of attorney required to provide the expertise and the associated above-noted hourly rates to be charged to the City.

**Recommendation:** Approve the proposed release of reserved funds in the amount of \$405,975.

Item 14 - File 62-92-1

**Department:** Recreation and Park Department

**Item:** The proposed ordinance would approve a five-year lease with Thigpen, Ltd., Inc. for establishing and operating a professional golf shop and snack bar concession at the Golden Gate Park Golf Course.

**Description:** The proposed ordinance would authorize the City, as lessor, to enter into a five-year lease with Thigpen, Ltd., Inc., as lessee. The previous lease with Thigpen, Ltd., Inc., expired on June 30, 1991, and Thigpen has been operating the golf shop and golfing activities (i.e. sale of golf items, golf instruction, rental of driving cages, collection of golf fees) at the Golden Gate Park Golf Course on a month-to-month lease since that time. The proposed lease would become effective pending authorization from the Board of Supervisors, and would expire five years from this effective date. Included in the premises of the proposed lease would be the Golf Clubhouse, and adjacent area for driving cages.

Mr. Dennis Chan of the Recreation and Park Department reports that the Department advertised for lease bids on the golf shop and snack bar concession, in the following newspapers and journals: San Francisco Chronicle, San Francisco Examiner, Independent, Small Business Exchange, the Bay Area Reporter, Sun Reporter, Latino Tiempo, Hokubei Mainichi and Sacramento Bee. In addition, the Department notified its existing concessionaires of the opportunity to bid on this lease and advertised through the Purchasing Department's Minority Outreach Program. Mr. Chan reports that Thigpen, Ltd., Inc. was the only firm to submit a qualified bid proposal. One other firm submitted a bid but that firm's bid was rejected by the Recreation and Park Department because the bid was determined by the Department to be incomplete.

Under the terms of the proposed lease, Thigpen, Ltd., Inc. would pay the City a minimum annual rent of \$26,000 or five percent of the gross receipts from the golf shop, plus 20 percent of the gross receipts from golf instructions, plus 9 percent of the gross receipts from food and beverages, plus 90 percent of all green fees collected, whichever is greater.

**Comments:**

1. Mr. Phil Arnold of the Recreation and Park Department reports that under the current month-to-month lease, Thigpen pays the City a minimum monthly rent of \$1,250 or \$15,000 annually. Mr. Arnold estimates that under the proposed lease, Thigpen will pay the City \$26,000 annually. This represents an increase of \$11,000 or 73 percent of additional annual revenues to the City.

2. Thigpen is responsible for keeping the golf shop (all fixtures and equipment) and the premises in the immediate vicinity of the golf shop clean and safe. Thigpen is also responsible for the maintenance and repair of the interior of the golf shop. The exterior and the roof of the golf shop are jointly maintained by Thigpen and the Recreation and Park Department.

**Recommendation:** Approve the proposed ordinance.



Item 15 - File 79-91-2.1

**Department:** Mayor's Office of Economic Planning and Development (MOEPD)

**Item:** Release of reserved funds in the amount of \$61,660 for Traveler's Aid Transbay Outreach Project

**Amount:** \$61,660

**Source of Funds:** 1992 Community Development Block Grant (CDBG) Funds (Homeless Program Pool)

**Description:** The Board of Supervisors previously approved the 1992 Community Development Program and authorized the Mayor to apply for, accept and expend the City's 1992 Community Development Block Grant entitlement (File 79-91-2). At the same time, the Board of Supervisors placed \$500,000 on reserve for the Homeless Program Pool pending identification of the projects. The total 1992 Community Development Program funds available amount to \$20,093,535.

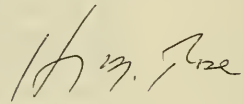
The MOEPD now reports that the Mayor's Office is proposing to use \$61,660 of the Homeless Program Pool funds to fund project services and facility rehabilitation at the Traveler's Aid Society of San Francisco. The CDBG funding would specifically be used to (1) pay for one full-time outreach worker to provide need assessment and referral to the Traveler's Aid Outreach Center and one-half time Counselor to provide individual counseling and general referral services, (2) expand and rehabilitate the outreach center at the Traveler's Aid Society and (3) pay for some printing and advertising expenses for information materials aimed at creating public awareness of the services offered at the outreach center. Expansion and rehabilitation of the outreach center would include, new partitions, doors and windows, lighting and electrical work, added ventilation, fire sprinklers and architectural services. The cost of the project services and facilities rehabilitation is detailed below:

Personnel

Outreach Worker	\$15,600	
Counselor	<u>21,060</u>	
Subtotal		\$36,660

<u>Facility Improvements</u>	
Partitions	\$8,000
Lighting & Electrical	4,000
Ventilation	3,000
Doors and Windows	3,500
Fire Sprinkler Realignment	2,000
Storage and Countertop	1,500
Architectural Services	<u>2,500</u>
Subtotal	\$24,500
 <u>Operating Expenses</u>	
Printing and advertising	<u>500</u>
Total	\$61,660

**Recommendation:** Approve the proposed release of reserve funds in the amount of \$61,660.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Shelley  
Supervisor Hallinan  
President Ward  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

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3/11/92

ACTION TAKEN

**CALENDAR**

PUBLIC LIBRARY (2)  
DOCUMENTS DIVISION  
CIVIC CENTER

**MEETING OF**

**FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

DOCUMENTS

MAR 13 1992

SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, MARCH 11, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

ABSENT: SUPERVISOR GONZALEZ Items 5-7, 9-19; SUPERVISOR SHELLEY Item 4

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

**CONSENT CALENDAR**

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
  - a. File 64-92-4. [Sublease of Real Property] Resolution authorizing a sublease of real property at 1380 Howard Street, 1,198 net rentable square feet, ground floor, for the Department of Public Health, office space for Substance Abuse Services. (Real Estate Dept.)
  - b. File 172-92-5. [Emergency Contract] Resolution authorizing the Department of Public Health, San Francisco General Hospital, to enter into emergency contracts providing for retroactive payments to Tempositions Health Care, Inc., and Western Medical Services. (Dept. of Public Health)

ACTION: RECOMMENDED.

**REGULAR CALENDAR**

2. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 3/4/92)

ACTION: HEARING HELD. CONTINUED TO MARCH 18, 1992.

3. File 165-92-2. [Budget Analyst Audit] Motion directing the Budget Analyst to conduct an audit of Marina Yacht Harbor facilities. (Supervisor Hsieh)  
(Rereferred from Board 2/24/92)

ACTION: RECOMMENDED.

4. File 97-92-10. [Parking/Traffic Fees – Payment by Credit Card or "ATM"] Ordinance amending Chapter 10 of the Administrative Code by adding Section 10.11-3 thereto, to authorize the Department of Parking and Traffic to accept credit and ATM cards for the payment of fees, bails and other charges rendered by the City and County of San Francisco. (Department of Parking & Traffic)

ACTION: RECOMMENDED.

5. File 101-91-53. [Government Funding] Ordinance appropriating \$1,346,000, Department of Public Works, for capital improvement project (Wastewater Reclamation Master Plan). RO #91178 (Controller)

ACTION: CONTINUED TO MARCH 18, 1992 (at request of Department of Public Works)

6. File 101-91-54. [Government Funding] Ordinance appropriating \$802,083, Department of Public Works, for capital improvement project (Market Street Thoroughfare Project). RO #91179 (Controller)

ACTION: RECOMMENDED.

7. File 166-92-1. [Tax Sale] Resolution authorizing Tax Collector to sell at private sale to contiguous owners certain parcels of tax-defaulted real property. (Tax Collector)

ACTION: RECOMMENDED.

8. File 193-92-1. [World Cup Soccer License and Operating Agreement] Resolution authorizing Recreation and Park Department to enter into agreement to license Candlestick Park for 1994 World Cup Soccer Games. (Supervisor Gonzalez)

ACTION: RECOMMENDED.

9. File 101-91-55. [Government Funding] Ordinance appropriating \$3,000,000, for benefit payoff-miscellaneous, Controller's Office; placing \$3,000,000 on reserve. RO #91182 (Supervisor Gonzalez)

ACTION: RECOMMENDED.

10. File 101-90-46.2 [Release of Funds] Requesting release of reserved funds, Port, in the amount of \$2 million, for compaction grouting contract for Pier 45 earthquake damage repair project. (Supervisor Gonzalez)

ACTION: HEARING HELD. RELEASE OF \$1,279,300 RECOMMENDED. FILED.

11. File 68-92-4. [Home Program] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept, and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed eight million two hundred six thousand dollars (\$8,206,000) for the Home Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the Home Program Description. Direct and indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant Funds. (Supervisor Ward)

ACTION: RECOMMENDED.

12. File 101-91-57. [Government Funding] Ordinance appropriating \$43,386, Adult Probation, for permanent salaries and related mandatory fringe benefits and materials and supplies, for the creation of three positions; companion measure to File 102-91-71. RO #91184 (Controller)

ACTION: AMENDED. (Reduce appropriation to \$37,440) RECOMMENDED AS AMENDED.

13. File 102-91-17. [Public Employment] Ordinance amending Annual Salary Ordinance, 1991-92, Adult Probation, reflecting the addition of three positions (Classifications 1424 Clerk Typist (1); 8442 Senior Probation Officer (2); companion measure to File 101-91-57. (Civil Service Commission)

ACTION: RECOMMENDED.

14. File 60-92-1.1 [Ballot Argument] Ballot argument (First Draft) in favor of Proposition D concerning improving the heating system within the Civic Center Area. (Supervisor Gonzalez)

ACTION: Ballot Argument adopted.

Motion prepared in/reported out of Cmte. "Authorizing Ballot Argument Favoring Proposition D, a bond issue providing for improvements to the heating system within the Civic Center Area, at a cost of \$21,220,000." RECOMMENDED.

15. File 60-92-1.2 [Ballot Argument] Ballot argument (First Draft) in favor of Proposition B concerning improving the Civic Center Plaza and Fulton Street Mall. (Supervisor Gonzalez)

ACTION: Ballot Argument adopted as amended.

Motion prepared in/reported out of Cmte. "Authorizing Ballot Argument Favoring Proposition B, a bond issue providing for improvements to the Civic Center Plaza and Fulton Street Mall, at a cost of \$26,700,000." RECOMMENDED.



16. File 60-92-1.3 [Ballot Argument] Ballot argument (First Draft) in favor of Proposition C concerning enlarging the existing Civic Center Parking Garage or construction of adjacent parking garage. (Supervisor Gonzalez)

ACTION: Ballot Argument adopted as amended.

Motion prepared in/reported out of Cmte. "Authorizing Ballot Argument Favoring Proposition C, a bond issue providing for the enlargement of the existing Civic Center Parking Garage or construction of a parking garage adjacent thereto, at a cost of \$24,000,000." RECOMMENDED.

17. File 60-92-1.4 [Ballot Argument] Ballot argument (skeletal) in favor of Proposition A concerning improvements to Golden Gate Park. (Supervisor Gonzalez)

ACTION: Supervisor Gonzalez submitted in Cmte. Ballot Argument (First Draft) for Proposition A. Adopted as amended.

Motion prepared in/reported out of Cmte., "Authorizing Ballot Argument Favoring Proposition A, a bond issue providing for construction or reconstruction of improvements to Golden Gate Park, at a cost of \$76,300,000." RECOMMENDED.

The Public Utilities Commission requested that the following items (Files 101-91-52 and 100-91-1.20) be heard in Closed Session:

18. File 101-91-52. [Government Funding] Ordinance appropriating \$848,889, Hetch Hetchy, for professional services and non-work order services of other departments - City Attorney, rescinding \$848,889 from various capital improvements projects. RO #91173 (Controller)

ACTION: RECOMMENDED.

19. File 100-91-1.20. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission/Hetch Hetchy, in the amount of \$214,800, for consulting services in support of on going litigation related to the City's water rights. (Public Utilities Commission)  
(Cont'd from 2/19/92)

ACTION: HEARING HELD. RELEASE OF \$214,850 RECOMMENDED. FILED.

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CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 9, 1992

**TO:** Finance Committee

**FROM:** Budget Analyst - *Recommendations*

**SUBJECT:** March 11, 1992 Finance Committee Meeting

DOCUMENTS DEPT.

MAR 11 1992

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Item 1a - File 64-92-4

**Departments:** Department of Public Health (DPH)  
Real Estate Department

**Item:** Resolution authorizing a sublease of real property for the  
Department of Public Health

**Location:** 1380 Howard Street (ground floor)

**Purpose of  
Sublease:** Office space for the DPH, Substance Abuse Services

**Sublessor:** Zack Electronics, Inc.

**No. of Sq. Ft. and  
Cost per Month:** 1,198 sq. ft. @ \$0.82/sq. ft./mo. = \$985/mo.

**Annual Cost:** \$11,820

**Utilities and Janitor  
Services:** Paid for by the City

**Source of Funds:** 65 percent Federal Funds, 18 percent State Funds, and 17  
percent General Fund monies

**Term of Sublease:** The sublease would commence upon the date this legislation  
receives Board of Supervisors approval and the entire  
premises are available for occupancy, whichever occurs  
later, and would end June 30, 1998 (six years).

**Description:**

The DPH, Substance Abuse Services is currently occupying space at 1380 Howard Street on the 4th floor. Ms. Nancy Rubin of the DPH, reports that the Substance Abuse Services staffing level has increased from 17 positions to 35 positions since the unit began occupancy of the 4th floor premises, approximately four years ago. The substance abuse staff has more than doubled over this period of time as a result of the Federal and State grant funds received by the City aimed at the "war on drugs". Presently, there is 2,625 square feet on the 4th floor offices, or approximately 75 square feet per staff person. As such, according to Ms. Rubin, the unit is experiencing significant overcrowding, which has resulted in six staff members being located in the hallways adjacent to the available office space. The proposed sublease would provide approximately 848 square feet of office space on the ground floor to house these six staff persons plus approximately 350 square feet of conference room space on the ground floor. The amount of office space per staff person would be approximately 141 square feet.

**Comments:**

The Real Estate Department advises that the monthly rental rate of \$985 represents the fair market rental value for this property.

**Recommendation:** Approve the proposed resolution.

Item 1b - File 172-92-5

**Department is:** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)

**Item:** Resolution authorizing the Department of Public Health, San Francisco General Hospital to enter into emergency contracts providing for retroactive payments to TemPositions Health Care, Inc. and Western Medical Services.

**Source of Funds:** Surplus funds in the 1991-92 budget of SFGH - anesthesia registry services (Anesthesia Department)

**Description:** The DPH, SFGH is requesting authorization to enter into emergency contracts with TemPositions Health Care, Inc. and Western Medical Services in order to permit these firms to continue to provide radiologic technologists registry services (x-ray technician services) to SFGH. Section 6.30 of the Administrative Code states that emergency contracts may be entered into if unforeseen circumstances result in "an insufficient number of hospital beds, or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services, so as to leave patients of the City and County without required hospital or medical services". Section 6.30 also provides that emergency contracts which exceed \$25,000 must be approved by the Board of Supervisors.

Ms. Hope Kamimoto of the DPH Contracts Office reports that the DPH, SFGH previously entered into contracts with TemPositions Health Care, Inc. and Western Medical Services, for radiology registry services, in the amount of \$50,000 each, for the period July 1, 1991 to June 30, 1992. The total amount of \$100,000 in funds for such contracts was approved in the Fiscal Year 1991-92 budget. Ms. Kamimoto advises that Western Medical Services had expended the entire \$50,000 available under its contract, as of February 6, 1992 and TemPositions Health Care Inc. had expended its entire \$50,000 contractual amount, as of January 26, 1992.

The proposed emergency contracts with TemPositions Health Care and Western Medical Services would be in an amount not to exceed \$10,000 per month for each contractor, for the period February 3, 1992 through June 30, 1992, or a maximum total of \$100,000.

Mr. Richard Hollingsworth of the SFGH Radiology Department advises that due to an ongoing shortage of radiologic technologists, SFGH has used contract radiology

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

registry services since 1989. According to Mr. Hollingsworth, the Department has utilized contract services to a greater degree than originally anticipated this fiscal year because (1) the Department has experienced difficulty in filling vacant Staff/Associate Radiologic Technologist positions (currently there are 5.9 vacant positions and 29.1 filled positions) and (2) the volume of x-ray exams performed thus far in the current fiscal year has increased 12 percent over last fiscal year.

**Comments:**

1. Mr. Hollingsworth reports that both Western Medical Services and TemPositions Health Care have continued to provide radiology registry services since the funding expired under their respective contracts. As such, the proposed resolution would authorize retroactive payments to both of these firms.

2. Mr. Hollingsworth advises that revenues generated from general diagnostic x-ray exams exclusive of mammography exams (breast exams) performed by the Radiology Department in FY 1990-91, totaled \$2,371,476. The current total annual operating cost for the SFGH Radiology Department is approximately \$6.3 million.

3. Section 6.30 of the Administrative Code provides that if the emergency work to be performed does not permit a given department to obtain the necessary prior approvals before the work is commenced, the department must "notify the Controller immediately of the work involved or the contract entered into and the estimated cost thereof; and shall notify the Board of Supervisors not more than seven days after work has been commenced." Given that Western Medical Services and TemPositions Health Care Inc. have both been providing emergency services for approximately one month without having notified the Board of Supervisors within the required seven-day period, the Budget Analyst believes that approval of the proposed legislation is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 2 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of March 4, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:

PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988	1993	CHANGE
	INDUSTRIES	Sectors INDUSTRIES Sectors	
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION		15,400 14,700	(700)
MANUFACTURING	41,400	38,800	(2,600)
Non-durable	32,900	31,600	(1,300)
Food		5,700 4,900	(800)
Apparel		12,800 12,900	100
Printing/Publish		10,300 10,500	200
Other		4,100 3,300	(800)
Durable	8,500	7,200	(1,300)
Metals		1,800 1,300	(500)
Transp. Equip.		1,800 1,100	(700)
Other		4,900 4,800	(100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation		20,600 21,600	1,000
Communication/Utilities		19,300 17,400	(1,900)
WHOLESALE TRADE		31,600 30,500	(1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores		8,100 8,000	(100)
Food stores		8,600 9,600	1,000
Apparel stores		7,800 8,100	300
Restaurants & bars		32,400 33,200	800
Other		20,900 22,500	1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance		47,400 46,000	(1,400)
Insurance/Real Estate		30,300 29,600	(700)
SERVICES	186,600	207,800	21,200
Hotel services		17,000 19,600	2,600
Business services		47,000 55,200	8,200
Health services		25,000 25,700	700
Legal services		19,200 23,500	4,300
Social services		20,400 21,700	1,300
Engineer, Architect, Mgmt		28,200 30,200	2,000
Other		29,800 31,900	2,100
GOVERNMENT	90,200	91,700	1,500
Federal		29,500 27,000	(2,500)
State and Local		60,700 64,700	4,000
	560,600	579,500	

Table 2

PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.70) (3.70)
MANUFACTURING	(6.28)	(13.76)
Non-durable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.05)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.17
Hotel services	15.29	13.76
Business services	17.45	43.39
Health services	2.80	3.70
Legal services	22.40	22.75
Social services	6.37	6.88
Engineer, Architect, Mgmt	7.09	10.58
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.16
	7	100.0 100.0

The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (\$579,500 less \$560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

Manufacturing Industry. The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

Services Industry. The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

Labor Supply and Growth Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national



average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.



Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

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Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,

resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against

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interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.

Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on



JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members is currently reviewing and holding hearings regarding changes to the Commission. Although such changes have not been finalized and would require approval of the Board of Supervisors, according to Mr. Sims, the Small Business Advisory Commission may be changed to incorporate both large and small, downtown and neighborhood business interests. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is anticipated to be completed during the next couple of months, will focus on the Bayview neighborhood.



Item 3 - File 165-92-2

**Note:** This item was rereferred from the Board of Supervisors meeting on February 24, 1992.

**Item:** Motion directing the Budget Analyst to conduct an audit of the Marina Yacht Harbor facilities.

**Description:** The Marina Yacht Harbor is located in the northern part of the City, adjacent to the Marina Green between Laguna Street and Baker Street. The Marina Yacht Harbor, under the jurisdiction of the Recreation and Park Department, has an annual budget of \$1,342,521 for fiscal year 1991-92. According to the City's Annual Appropriation Ordinance, a total of \$1,301,000 revenues are projected to be received by the Marina Yacht Harbor for fiscal year 1991-92. Combined with a prior year surplus of \$220,521, the Marina Yacht Harbor has a balance of estimated unappropriated revenues of \$179,000 for fiscal year 1991-92.

In response to numerous allegations regarding maintenance, repairs, contracts and recordkeeping, this proposed motion would direct the Budget Analyst to conduct an independent audit of the Marina Yacht Harbor facilities. Under this audit, the Budget Analyst would:

1. Determine the income from all sources since FY 1988-89;
2. Identify whether any income from the Harbor was paid into the General Fund since FY 1988-89 and what amount was used for maintenance and repairs;
3. Determine the maintenance budget for each fiscal year since 1988 and whether those monies were appropriated accordingly;
4. Identify the fees, salaries and wages of employees and third party contractors and determine whether said expenses are in keeping with common practice for the services delivered;
5. Review the Requests for Bids for each of the Marina Master Plans and the bids that were subsequently submitted;
6. Review procedures for assignment of vacant berths; and
7. Review provisions of contracts with concessionaires regarding all fees and services provided.

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**Comments:** This audit is estimated to cost \$9,754, based on 160 hours to complete the analysis at the Budget Analyst's average hourly rate of \$60.96. However, no additional funds would be requested since this audit would be completed within the existing budget of the Office of the Budget Analyst as authorized by the Board of Supervisors.

**Recommendation:** Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 4 - File 97-92-10

**Department:** Department of Parking and Traffic

**Item:** Ordinance amending Chapter 10 of the Administrative Code by adding Section 10.11-3 thereto to authorize the Department of Parking and Traffic to accept credit and automated teller machine (ATM) cards for the payment of fees, bails and other charges rendered by the City and County of San Francisco.

**Description:** The Department of Parking and Traffic implemented a policy in February 1992 requiring that any individual applying for a residential parking permit must pay all outstanding parking fines. The new policy does not apply to traffic fines. Individuals must pay fines in cash, with a personal check, or, if they wish to make a credit card payment, must travel to the Municipal Court to make the payment and then return to the Parking and Traffic Department to purchase their residential parking permit. Ms. Kathryn Hile of the Department of Parking and Traffic advises. The proposed ordinance would authorize the Department of Parking and Traffic to establish a credit card payment system including credit and ATM cards for transactions of at least \$10. The Department anticipates that the system would be mostly used by individuals applying in person for residential parking permits to pay outstanding parking fines as well as the residential permit parking fee. Under this proposed system, credit card payments would be made directly to the Department of Parking and Traffic instead of to the Municipal Court.

The proposed ordinance would require that the Department of Parking and Traffic receive approval from the Treasurer and the Controller prior to the establishment of any credit card payment system.

**Comments:** 1. According to a report issued by the Treasurer in December of 1989 (File 97-89-12), the advantages to accepting credit and ATM cards would include: better customer service; access to the funds within one working day; reduction in the number of bad checks received; and, according to Mr. Tom Carrick of the Treasurer, an increased likelihood that individuals would pay their outstanding parking fines.

2. The Municipal Court accepts credit card payments for parking and criminal violations. In addition, San Francisco General Hospital is authorized to accept credit card payments, and the Recreation and Park Department was authorized to accept such payments through December 31,



1991, when their authorization expired. According to Mr. Carrick, the Treasurer recently selected Bank of America as the contractor for the credit card payment system. The contract with Bank of America stipulates that any City department may participate in the system. If this ordinance were approved, the Department of Parking and Traffic would participate in the contract with Bank of America.

Mr. Carrick advises that Bank of America's credit card fee to the City, a monthly charge by the banks for credit card transaction processing, would be approximately 1.56 percent of the total credit card charges. Additional monthly bank charges include account maintenance, computer terminal rental, computer time, and fees for deposits, couriers and balance reports. Implementation of a credit card payment system also requires the installation of a dedicated telephone line and training for cashiers using the system.

3. The contract with the Bank of America allows the departments to accept credit cards only, not ATM cards, Mr. Carrick advises. Thus, no mechanism has been established by which individuals can make payments via ATM cards and ATM cards would not be used under the current contract. In order for the Department of Parking and Traffic to accept ATM cards, a new contract would need to be negotiated. Mr. Carrick advises that credit card transactions are credited to the individual City department, the first working day after a transaction is made. Although the proposed ordinance would allow credit card payments to be made in person, by mail or over the telephone, Mr. Carrick reports that, under the Bank of America contract, all transactions must be made in person.

4. Based on the average amount collected in parking fines per permit sold, the anticipated 1992-93 revenue from permit parking fees, the anticipated portion of credit card sales, and the bank processing fee, the Budget Analyst estimates that the total credit card fee charged by the bank for 1992-93 for the Department of Parking and Traffic would be approximately \$1,594. Specifically, in February 1991, the Department of Parking and Traffic issued 6,821 permits and collected \$36,233 in outstanding parking fines, for an average fine payment per permit of \$5.31. The Department anticipates issuing 90,000 permits in 1992-93. If the average of the parking fines collected for the anticipated 90,000 permits were \$5.31, the total parking fines collected at the time of permit issuance would be \$477,900 in Fiscal Year 1992-93. The Municipal Court advises that approximately five percent of its fines are paid by credit card. If five percent of \$477,900,

or \$23,895, were paid with a credit card, and if the bank charges a transaction fee at the rate of 1.56 percent, the cost of allowing parking fines to be paid by credit or ATM card would be approximately \$373. In addition, the Department anticipates revenues from permit parking fees themselves totalling \$1,565,000 for 1992-93. If five percent of \$1,565,000, or \$78,250, were paid for permit parking fees by credit card, and if the bank charges a transaction fee at the rate of 1.56 percent, the cost of allowing residential permit parking fees to be paid by credit card would be approximately \$1,221. Thus, the total cost would be \$1,594 for fiscal year 1992-93, or \$373 for parking fines plus \$1,221 for permit fees. However, it cannot be precisely estimated at this time whether the portion of fees paid by credit card to the Department of Parking and Traffic would be the same as the portion of fees paid by credit card to the Municipal Court.

5. The Department of Parking and Traffic anticipates that the number of parking fines paid in person will increase over time, since February 1992 was the first month that individuals were required to have paid their fines before receiving a parking permit. According to Ms. Hile, \$5,700 in fines was collected the first week of February 1992, \$7,254 was collected the second week, \$7,721 was collected the third week, and \$15,518 was collected the fourth week. Since the cost of accepting credit cards is based on a percentage of the transaction, the more money that is collected in parking fines, the higher the cost of accepting credit cards.

6. Mr. Carrick advises that accepting credit cards would probably increase the total amount of fees collected, especially when large payments are due. However, the amount of additional funds collected has not been estimated at this time by the Department of Parking and Traffic.

7. As noted above, according to the proposed ordinance, the Department of Parking and Traffic must receive approval from the Treasurer and the Controller prior to the establishment of any credit card and ATM card payment system. Mr. Carrick advises that the Treasurer and the Controller would meet with the Department of Parking and Traffic to determine whether the benefits to establishing a credit card payment system would outweigh the costs. No such determination has been made as yet. Therefore, the proposed ordinance should be continued until the Department of Parking and Traffic, the Treasurer and the Controller meet to determine whether the benefits to establishing a credit card payment system would outweigh the costs.

8. Several departments have requested authorization for a credit card payment system, but no criteria have been established for evaluating the costs and benefits for such a system. It would be beneficial for the Controller and the Treasurer to develop guidelines such as cost-benefit formulae and program parameters for departments considering the establishment of a credit card payment system.

- Recommendations:**
1. Continue the proposed ordinance until the Department of Parking and Traffic, the Treasurer and the Controller meet to determine whether the benefits to establishing a credit card payment system would outweigh the costs.
  2. The Board of Supervisors should urge the Controller and the Treasurer to establish guidelines for departments considering implementation of a credit card and ATM card payment system.

Item 5 - File 101-91-53

**Department:** Department of Public Works (DPW)  
Bureau of Engineering (BOE)  
Clean Water Program (CWP)

**Item:** Supplemental Appropriation Ordinance for capital improvement project (Wastewater Reclamation Master Plan), Public Works for fiscal year 1991-92.

**Amount:** \$1,346,000

**Source of Funds:** 1988 Sewer Revenue Bonds

**Description:** The Board of Supervisors previously approved two ordinances (Files 188-91-2 and 188-91-5) regarding the use of reclaimed water by water users in San Francisco. These ordinances (Files 188-91-2 and 188-91-5), provided for a comprehensive non-potable and reclaimed water use program to reclaim and reuse treated wastewater to assist in meeting future water requirements of the City. This ordinance (File 188-91-5) also directed the completion of the Wastewater Reclamation Master Plan by November, 1994. The proposed supplemental appropriation request would be used to fund the development of the Wastewater Reclamation Master Plan.

The DPW's CWP reports that the Master Plan process includes the development and completion of a Master plan which would involve the following tasks: pilot studies to determine the necessary level of treatment for future Bayside reclamation facilities, preparation of appropriate environmental review documentation, coordination of necessary State, regional and local regulatory approvals and Real Estate investigation for the securing of site reclamation facilities within the City.

The DPW's use of the proposed supplemental funds is outlined below:

Contractual Services

James M. Montgomery Engineers, Inc.(JMM)	\$400,000
Environmental Science Associates, Inc. (ESA)	<u>200,000</u>
Total Contractual Services	\$ 600,000

<u>DPW's Bureau of Engineering</u>	380,152
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Departmental Work Orders

DPW Bureau of Water Pollution Control	110,000
DPW Bureau of Construction Management	32,000
City Attorney	33,000

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City Planning - Office of Environmental Review	\$ 50,000
City Planning EIR Fees	46,848
DPW Bureau of Environmental Regulation & Management	24,000
Real Estate	<u>20,000</u>
Total Department Work Orders	\$ 315,848

<u>Equipment</u>	<u>50,000</u>
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Total proposed Supplemental Appropriation	\$1,346,000
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**Comments:**

1. The DPW reports that the total project requirements over three years for the development and implementation of a Wastewater Reclamation Master Plan would be \$3,912,000. The breakdown of funds would be as follows:

<u>FY 1991-92</u>	
Proposed Supplemental Appropriation	\$ 1,346,000

<u>FY 1992-93</u>	
DPW	862,000
San Francisco Water Department	1,008,000

<u>FY 1993-94</u>	
DPW	528,000
San Francisco Water Department	<u>168,000</u>

Total Project Requirements	\$3,912,000
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Funds requested as part of the DPW's and Water Department's budget for FY 1992-93 and FY 1993-94 would be subject to annual appropriation approval by the Board of Supervisors.

2. The proposed contractor for the completion of the Master Plan would be James M. Montgomery Engineers, Inc. (JMM) for the wastewater reclamation project. Ms. Karen Kubick of the DPW's Bureau of Engineering reports that the Request for Proposals (RFP) for the Master Plan consultant was issued in December, 1989, and JMM received the notice to proceed from the City to begin work on the Master Plan in July, 1990. Ms. Kubick reports that to date, the Board of Supervisors has previously appropriated and the DPW has expended \$400,000 and the San Francisco Water Department has expended \$500,000 for JMM contract work for a total of \$900,000 for reclamation planning.

The average hourly rates for JMM ranges from approximately \$10 per hour for clerical staff to \$45 per hour for principals, not including overhead. Including overhead

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the average hourly rate is approximately \$114 per hour. The actual contract amount under this request is \$376,024, rather than the \$400,000 which is budgeted for the JMM contract. Therefore, the proposed supplemental appropriation ordinance should be reduced by \$23,976, from \$400,000 to \$376,024 to reflect the actual contract amount.

3. JMM is neither a local, MBE or WBE firm. However, approximately 29.5 percent or \$376,427 of JMM's total contract of \$1,276,024 (\$900,000 previously appropriated plus \$376,024 from the proposed supplemental appropriation) would be provided to MBE and WBE subcontractors.

4. Environmental Science Associates, Inc. (ESA) would complete the environmental review work for the reclamation plan. Ms. Kubick indicates that ESA was selected through a RFP process which was issued in October, 1991. ESA's hourly rates range from \$13.80 per hour for clerical staff to \$44 per hour for management staff, not including overhead. Including overhead, the average hourly rate is approximately \$68 per hour. However, the actual contract amount is \$189,956, rather than the \$200,000 which is budgeted for the ESA contract. Therefore, the proposed supplemental appropriation request should be reduced by \$10,044, from \$200,000 to \$189,956 to reflect the actual contract amount.

5. ESA is neither a local, MBE or WBE firm. However, Ms. Kubick notes that participation from MBE and/or WBE firms, would total \$76,200, or approximately 40 percent of the \$189,956 ESA contract amount.

6. The \$380,152 budgeted for the DPW's Bureau of Engineering would be used for approximately 5,404 hours of existing staff time, at an average hourly rate of \$70.35, for the completion of project management, contract administration, scheduling, pilot plant studies, and environmental functions. Ms. Kubick indicates that the hourly rates for project staff with overhead range from \$62 per hour for an Associate Engineer to \$95 per hour for a Project Manager III.

7. The \$110,000 budgeted for DPW's Bureau of Water Pollution Control would be used for approximately 2,000 hours of existing bond-funded staff time, at an average hourly rate of \$55, to complete the pilot plant study of a Bayside reclamation facility.

8. The \$32,000 budgeted for the DPW's Bureau of Construction Management's Public Affairs Division would be used for approximately 300 hours of existing bond-funded

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staff time, at an average hourly rate of \$60 per hour. Ms. Kubick reports that a lump sum of \$14,000 was also included for public information documents for project information and updates through its Citizen Advisory Committee.

9. The \$33,000 budgeted for the City Attorney's Office would be used for approximately 300 hours of existing staff time, at an average hourly rate of \$110, for assistance in drafting various regulatory approvals which may be needed from State, regional and local regulatory agencies.

10. The \$50,000 budgeted for City Planning's Office of Environmental Review would be used for environmental review assistance and for the securing of approvals from State, regional and local regulatory agencies. Mr. Don Munakata of the DPW's Bureau of Engineering reports that approximately 67 percent of an existing Planner III would be required from approximately April, 1992 through October, 1993. The annual salary for a Planner III is approximately \$50,700. Ms. Kubick explains that the difference between the services that the environmental review consultant ESA and the Planning Department is that ESA would be preparing the environmental documents, holding public meetings and evaluating any potential impacts caused by the construction or operation of the project facilities. Ms. Kubick further explains that the Planning Department would review the documents for the Master Plan and also would brief with the Planning Commission.

11. The \$46,848 budgeted for City Planning Environmental Impact Report (EIR) fees would be used for environmental review fees which would be required for the implementation of the reclamation facility. Ms. Kubick notes that this amount was based upon the projected construction estimate for the reclamation facility of \$91.3 million or approximately .05 percent of the projected construction estimate.

12. The \$24,000 budgeted for the DPW's Bureau of Environmental Regulation & Management would be used for assistance with the pilot plant study for the Bayside reclamation facility, including assisting with review of materials, sampling and providing recommendations for the Master Plan. Ms. Kubick indicates that the cost for assistance ranges from \$55 to \$100 per hour, including overhead, or on average approximately \$77.50 per hour for approximately 310 hours.

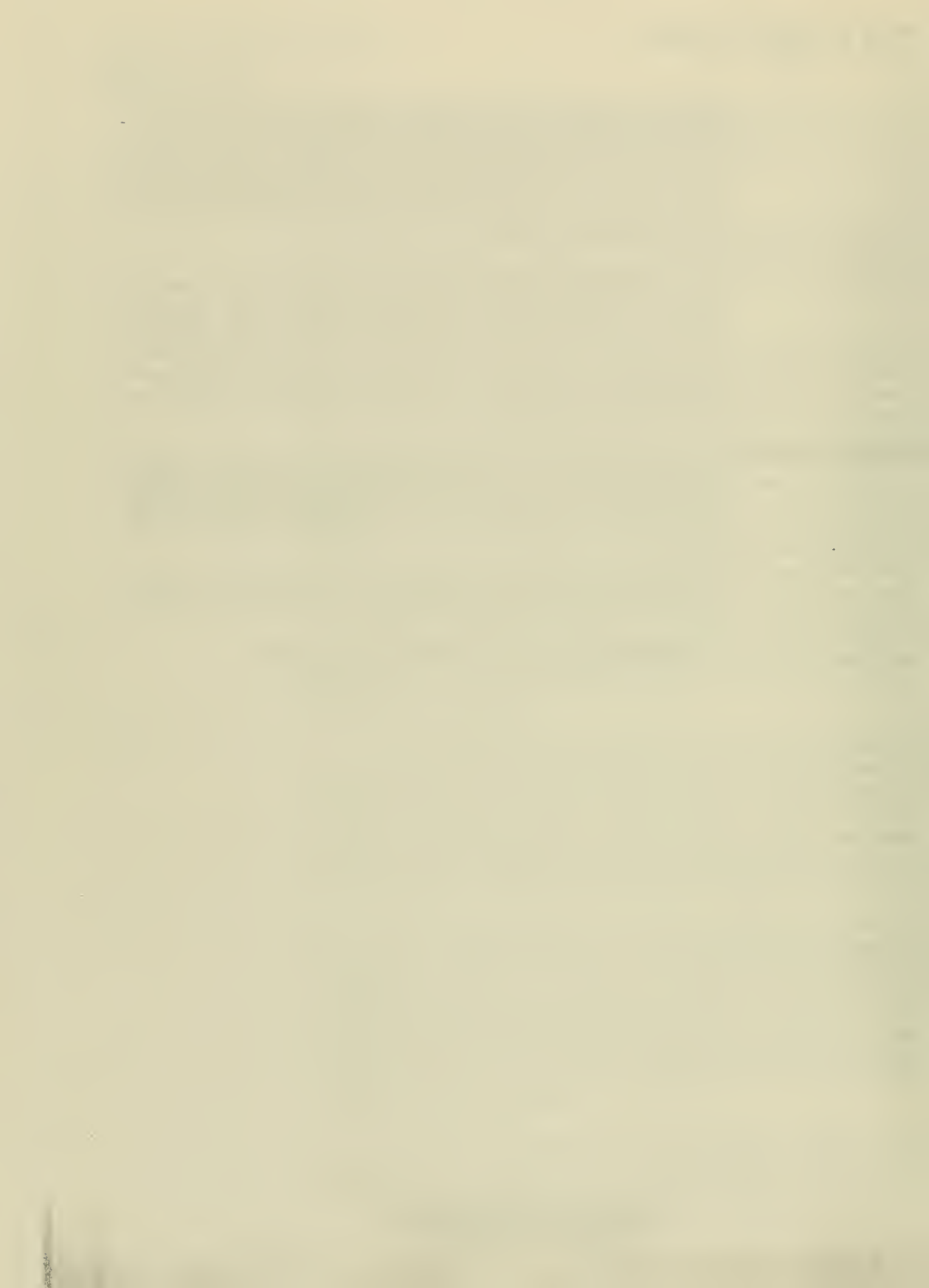
13. The \$20,000 budgeted for the Real Estate Department would be used for the Real Estate Department's assistance in property investigation and the securing of property

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agreements as part of determining potential site reclamation facilities within the City. Mr. Harry Quinn of the Real Estate Department reports that the \$20,000 estimate for Real Estate was based upon Real Estate staff with hourly rates of approximately \$70 to \$90 per hour including overhead, or \$80 per hour on average, which would result in a total of approximately 250 hours.

14. The \$50,000 budgeted for equipment would be used for testing, monitoring and sampling equipment for the pilot study site for the Bayside reclamation facility. The DPW has not yet specified what equipment would be purchased with the \$50,000. Therefore, the Budget Analyst recommends reserving the \$50,000 for equipment, pending specific cost and equipment details.

- Recommendations:**
1. Amend the proposed supplemental appropriation request to reduce the request of \$1,346,000 by \$34,020 (\$23,976 savings from the JMM contract and \$10,044 savings from the ESA contract) to \$1,311,980 in order to reflect the actual contract amounts.
  2. Reserve the \$50,000 requested for equipment pending specific cost and equipment details.
  3. Approve the proposed ordinance as amended.



Item 6 - File 101-91-54

**Department:** Department of Public Works (DPW)  
Public Utilities Commission (PUC)

**Item:** Ordinance appropriating funds for the Market Street  
Thoroughfare Project, Public Works for Fiscal Year 1991-92.

**Amount:** \$802,083

**Source of Funds:** 1968 Market Street Improvement Bond Funds

**Description:** The Department of Public Works is requesting a supplemental appropriation of \$802,083 for continued construction work on the Market Street Thoroughfare Project. The specific construction work would include pavement renovation, curb ramp modification, street landscaping, modifications to traffic controls, construction of new track on upper Market for the proposed F line streetcars, and reconstruction of overhead lines. Once the Market Street Thoroughfare Project is completed, MUNI would run the F Market Streetcars in place of the #8 Trolley line currently in operation.

According to Mr. Nelson Wong of DPW, the PUC is managing the project, and once appropriated, DPW would transfer the funds to the PUC.

According to Ms. Gail Bloom of the PUC, the 1968 Market Street Improvement Bond funds would be used, along with \$1,000,000 in 1991-92 transportation sales tax revenues, to pay for in-house expenditures associated with the Market Street Thoroughfare Project. Ms. Bloom provided the following budget information on the sources and uses of funds for the Market Street Thoroughfare Project:

**Revenue Sources:**

1991-92 transportation sales tax revenues	\$1,000,000
1968 Market Street Improvement Bond funds (This proposed ordinance)	<u>802,083</u>
Total revenue sources	\$1,802,083



**Proposed expenditures:**

Project management, Utilities Engineering Bureau	\$120,000
Engineering, Utilities Engineering Bureau	250,000
Construction Management, Utilities Engineering Bureau	1,199,583
DPW engineering	120,000
Traffic engineering and control, Department of Parking and Traffic	75,000
Municipal Railway testing and inspection	<u>37,500</u>
Total proposed expenditures	\$1,802,083

**Comments:**

1. According to Mr. Don Chee of the PUC's Utilities Engineering Bureau, the proposed expenditure of funds is part of Phase III of the Market Street Thoroughfare Project, which will consist of construction of new streetcar tracks between Duboce and Castro Streets. Phase IV, still in the design stage, will consist of reconstruction of the street and tracks from 11th Street to Duboce Street. The City completed construction between Fremont and 11th Streets (Phases I and II) in 1990.

2. The total cost of Phase III is estimated to be \$17,384,952, including approximately \$13.6 million in construction costs. Mr. Chee advises that bids for the construction work will be opened on March 13, 1992. Construction on Phase III is scheduled to begin in June, 1992 with a projected completion date of May, 1994.

3. The Capital Improvement Advisory Committee has reported that the request for supplemental appropriation for the construction work is in conformity with the six-year Capital Management Plan.

**Recommendation:** Approve the proposed ordinance.

Item 7 - File 166-92-1

**Department:** Tax Collector

**Item:** Resolution authorizing the Tax Collector to sell at a private sale, to contiguous owners, certain parcels of tax-defaulted real property.

**Description:** The Tax Collector reports that Section 3692 of the California Revenue and Taxation Code provides that when parcels of tax-defaulted property have been determined by the Tax Collector to be unmarketable by normal public auction procedures because of the size, location or other condition of the parcels, the Tax Collector can offer such parcels at a pre-established minimum bid to the owners of adjoining properties. Selling the property at such minimum bids still provides the opportunity for two or more owners of adjoining properties to competitively bid on a given parcel.

The proposed resolution would authorize the Tax Collector to conduct a sealed bid sale of 118 parcels of tax-defaulted property to adjoining property owners. The Tax Collector has determined that these parcels, which are all surrounded by residential properties, are unmarketable because of their size and location. The Tax Collector reports that the minimum bid for each parcel is one-fourth of the appraised value for the property, because the California Revenue and Taxation Code prohibits a minimum bid of less than this amount. The Tax Collector believes that setting the minimum bid at 25 percent of the appraised value will facilitate the sale of the property, thereby enabling the City to obtain the maximum amount of the delinquent taxes due.

The minimum bids established for the 118 parcels are as follows:

<u>Number of Parcels</u>	<u>Minimum Bid Amount</u>	<u>Total</u>
102	\$25.00	\$2,550.00
3	125.00	375.00
2	50.00	100.00
2	37.50	75.00
1	8,500.00	8,500.00
1	1,100.00	1,100.00
1	375.00	375.00
1	325.00	325.00
1	250.00	250.00
1	160.00	160.00
1	150.00	150.00
1	75.00	75.00
<u>1</u>	<u>62.50</u>	<u>62.50</u>
Total 118		\$14,097.50

**Comment:**

The money generated from the sale of the 118 parcels, which would total \$14,097.50 at the minimum bid price, would be used for payment to the City's General Fund for the delinquent taxes owed on these parcels. Such delinquent taxes owed on these parcels totals \$57,514 as of March 6, 1992. Any remaining balance would be used to defray the City's costs associated with the advertisement and sale of these parcels. The new owners would not be liable for the outstanding taxes owed to the City for each parcel. However, once a parcel has been purchased, the new owners would be assessed future taxes owed on the property.

**Recommendation:** Approve the proposed resolution.

Item 8 - File 193-92-1

**Department:** Recreation and Park Department (RPD)

**Item:** Resolution authorizing the Recreation and Park Department to enter into an agreement to license Candlestick Park for the 1994 World Cup Soccer Games.

**Description:** In January of 1991, the Board of Supervisors approved Resolution No. 107-91, which endorsed the efforts to stage World Cup Soccer matches at Candlestick Park in 1994. At the time, the Budget Analyst had estimated that if Candlestick Park became one of the host venues of the World Cup Soccer games in 1994, the direct and indirect economic benefits to San Francisco could range from \$7.1 million to \$43.1 million, depending on the number of games scheduled at the stadium.

This proposed resolution would authorize the Recreation and Park Department to enter into a licensing agreement with the World Cup USA 1994 Organizing Committee. The licensing agreement would authorize the use of Candlestick Park for the World Cup Soccer games.

The licensing agreement governs the use of the stadium facilities by the World Cup USA 1994 Organizing Committee. The agreement covers:

- Space and facility access requirements for the soccer matches, including ticket and seat control. The license agreement provides that the World Cup USA 1994 Organizing Committee shall have exclusive control over seating and ticketing of the soccer matches.
- Payment of licensing, parking, novelty and merchandising, and food and beverage fees and revenues to the City by the World Cup USA 1994 Organizing Committee. The license agreement provides that the City would receive 90 percent of the parking revenues, \$40,000 to \$60,000 per game for the use of the stadium, and all food and beverage revenues. The World Cup USA 1994 Organizing Committee would retain 10 percent of the parking revenues and all of the merchandise and program revenues.

- Provision of the Candlestick Park stadium and City services during the soccer matches and the payment for such services. The World Cup USA 1994 Organizing Committee will pay for all utilities, event personnel, medical services, and public safety services associated with the World Cup soccer matches held at Candlestick Park.
- Stadium renovations and improvements, including the conversion of the baseball field to a soccer field by the City. Because the City must convert the baseball field to a soccer field, the City would be held liable to the Organizing Committee for \$250,000 in liquidated damages if the City cannot complete the conversion in time for the soccer matches.
- Exclusive advertising rights to be granted to the World Cup USA 1994 Organizing Committee. Such granting of exclusive advertising rights to the Organizing Committee would require the Recreation and Park Department to persuade the existing stadium advertisers, including the Sony Corporation, and the Giants and 49ers, to temporarily waive their exclusive stadium advertising rights during the soccer matches.

In addition, as part of the licensing agreement, the City must agree to indemnify, or hold harmless, the Organizing Committee from all losses, judgements, claims or liabilities arising out of the negligent or intentional wrongful acts or omissions of the Recreation and Park Department.

Along with the World Cup USA 1994 Organizing Committee, a local host organizing committee is in the process of being established. In the future, the Recreation and Park Department proposes to enter into a separate agreement with the local host organizing committee, which would govern the assignment of responsibilities between the Recreation and Park Department and the local host organizing committee. As of the writing of this report, the composition of this local host organizing committee, and its status as a nonprofit corporation, is uncertain.



**Comments:**

1. Mr. Jim Cooney of the Recreation and Park Department estimates that each World Cup Soccer match held at Candlestick Park will earn an estimated \$269,500 in revenue for the City, including approximately \$87,000 in Stadium Operator Admissions Tax revenues. However, because these are only rough estimates, there is no guarantee that the City will receive these revenues. At the same time, Mr. Cooney reports, each game will incur an additional \$10,250 in event management costs and to rent portable toilets and purchase miscellaneous supplies and other rentals. Mr. Cooney also estimates that one-time conversion costs, including rental of additional office space, office equipment, phone service and the cost to convert the baseball field to a soccer field will total \$194,496. The field conversion cost, alone, will total \$165,096.

2. If selected as a venue for the World Cup Soccer games, Candlestick Park would host between two and five soccer matches during a short period of the Summer of 1994. The Candlestick Park groundskeeping staff would have to convert the field from a baseball field, used by the San Francisco Giants, to a soccer field, which is slightly wider than a football field. The proposed licensing agreement would require the City to convert the baseball field to a soccer field in time for the soccer matches, or be held liable by the World Cup USA Organizing Committee for \$250,000 in liquidated damages. However, the license agreement requires the cost of reconfiguring the baseball field into a soccer field be borne by the Recreation and Park Department or the local host organizing committee. As of the writing of this report, the Recreation and Park Department reports that the conversion costs will be borne by the local host organizing committee. Mr. Cooney reports that the assumption of such conversion costs will be included in an agreement between the Recreation and Park Department and the local host organizing committee. However, as of the writing of this report, the reported requirement to be included in this other agreement, that the local host organizing committee entity pay for the Candlestick Park stadium conversion costs, has not been finalized.

3. The licensing agreement provides that the World Cup USA 1994 Organizing Committee will have exclusive advertising rights in the stadium, and that the City, as the stadium authority, may not display any advertisements in the stadium without the authorization of the Organizing Committee. However because the Recreation and Park Department holds previous contractual agreements with various vendors for exclusive advertising rights in the stadium, the Organizing Committee is requiring that all existing advertising be covered during the staging of the soccer matches. As of the writing of this report, the Recreation and Park Department and the Mayor's Office are in negotiations with the various advertisers, including the Sony Corporation, and the Giants and 49ers, to give up their exclusive advertising rights to the World Cup USA 1994 Organizing Committee during the staging of the soccer matches. Although an exact cost has not yet been determined, the City may have to temporarily "buy out" the exclusive advertising rights of the existing vendors in order to allow the World Cup USA 1994 Organizing Committee to assume exclusive advertising rights during the staging of the soccer matches.

4. As of the writing of this report, it is not clear whether all or a portion of the potential costs and revenues would accrue to the City's Candlestick Park Special Fund or the City's General Fund.

5. The Recreation and Park Department is requesting approval of this resolution at this time in order to have the agreement approved by the Board of Supervisors before the World Cup USA 1994 Organizing Committee announces its venue selections on March 23, 1992.

6. It should also be noted that the Budget Analyst's prior economic impact report of January, 1991 stated that soccer event related expenditures would be reimbursed by the World Cup USA 1994 Organizing Committee, based on discussions with the local promoters at the time. Since the Recreation and Park Department is still in the process of negotiating with the advertisers over the exclusive advertising rights required by the World Cup USA 1994 Organizing Committee, all potential costs and revenues to the City are not known. Since the City may incur potential costs from the staging of the World Cup Soccer matches, the Budget Analyst recommends that the proposed resolution be amended to require the proposed agreement between the local host organizing committee and the City be approved by the Board of Supervisors and that all conversion and advertiser-related costs be borne by the local organizing committee. The Budget

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Analyst further believes that the proposed resolution is a policy matter for the Board of Supervisors.

- Recommendations:**
1. In order to more adequately analyze all potential City costs and revenues, and in order to insure that the Candlestick Park stadium conversion costs and advertiser-related costs are not borne by the City (which would be consistent the prior information reported to the Board of Supervisors), amend the proposed resolution to require that the proposed agreement between the local host organizing committee and the City be approved by the Board of Supervisors.
  2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.



Item 9 - File 101-91-55

**Departments:** Controller

**Item:** Ordinance appropriating \$3 million for benefit payoff-miscellaneous, Controller's Office, for Fiscal Year 1991-92; placing \$3 million on reserve.

**Source of Funds:** General Fund

**Description:** In November 1991, the electorate approved Proposition A, which gives employees who retire between February 1, 1992 and March 30, 1992 credit for an additional three years of service and three years of age. The early retirement program will result in an initial cost to the City in Fiscal Year 1991-92 of an estimated \$3 million to backfill critical positions immediately.

On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit amounts, appropriated for positions held by employees who retire under Proposition A, to a reserve account to finance the lump sum sick leave and vacation payments. Accumulated vacation and vested sick pay for these early retirees is to be paid from this reserve account. If tentative estimates are realized, the aggregate amount of salary and fringe benefit savings included in the Fiscal Year 1991-92 budget will cover lump sum sick leave and vacation payments for early retirees.

Some of the positions to retire, such as department head positions and other critical positions, are mandated by the Charter or are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or necessary position, that position can be backfilled, in accordance with the specific provisions cited in Proposition A, if approved by a committee consisting of the Mayor, General Manager, Personnel and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council who would serve as advisory members.

If the Committee approves such backfilling, funds would have to be made available from some source to permit the position backfills. The proposed supplemental appropriation request of \$3 million would make the needed funds available in order to backfill these critical positions. The proposed ordinance would, further, reserve the \$3 million pending



release by the Finance Committee of the Board of Supervisors of the specific positions to be backfilled.

**Comments:**

1. The \$3 million requested to backfill such critical positions was included in the City's previously estimated Fiscal Year 1991-92 deficit projected in the Joint Report prepared by the Controller, the Mayor's Director of Finance, and the Budget Analyst.

2. The ordinance amending the Annual Appropriation Ordinance noted above would apply only to General Fund positions. Non-General Fund positions would not be paid out of a separate account, and would require separate resolutions or ordinances of the Board of Supervisors in addition to approval of the Proposition A Committee.

3. As of February 28, 1992, approximately 1,300 persons had elected to retire early under Proposition A. The Controller advises that the number of positions that will need to be backfilled cannot be estimated until individual City departments begin to request backfilling.

**Recommendation:** Approve the proposed supplemental appropriation ordinance, which places the entire \$3 million on reserve, pending release by the Finance Committee of the specific positions to be backfilled.

Item 10 - File 101-90-46.2

**Department:** Port of San Francisco

**Item:** Request for release of reserved funds placed on reserve in fiscal year 1990-91 for a compaction grouting contract for Pier 45 earthquake damage repair.

**Amount:** \$2,000,000

**Source of Funds:** San Francisco Harbor Operating Fund

**Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-46) of \$6,374,971 for earthquake repairs and reserved \$6,261,404 pending the selection of outside contractors and the submission of the MBE/WBE status of the contractors. Subsequently, the Board of Supervisors released \$345,700 of reserved funds (File 101-90-46.1) leaving a balance on reserve of \$5,915,704. The Port is now requesting a release of reserved funds in the amount of \$2,000,000, which would leave a balance on reserve of \$3,915,704. The earthquake repairs funded with the previously approved supplemental appropriation ordinance (File 101-90-46) include Ferry Building repairs, and pier and seawall repairs at various locations.

The Port reports that the request for release of reserved funds would be used for compaction grouting work (i.e. solidifying the underground foundation) to repair the earthquake damaged fish processing facilities at Pier 45. The Port indicates that after a competitive bid process, the Port Commission awarded the contract on February 26, 1992 to the lowest bidder, Pressure Grouting Company.

**Comments:**

1. The Port reports that six bids were received between the range of \$1,163,000 to \$2,079,680. The Port also reports that the bid specifications required bidding on a unit price without contingencies. Only the second lowest bidder, Ranger Pipelines, qualified for MBE/WBE bid preference points. Including these preference points, Pressure Grouting Company was still the lowest bidder in the amount of \$1,163,000. Pressure Grouting Company is not a MBE, WBE or LBE firm.
2. According to Ms. Veronica Sanchez of the Port, the Port usually includes a ten percent contingency for construction contracts. Ms. Sanchez reports, however, that due to the specialized nature of the compaction grouting contract, the Port is unable to make a precise determination as to whether

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the cost of the compaction grouting contract will exceed the normal construction contingency of ten percent or \$116,300 of the low bid amount of \$1,163,000, until testing of a sample area is complete. The Port reports that this testing is required to determine if the existing grout column pattern on Pier 45 can sustain upgraded compaction results to improve seismic standards.

3. Ms. Sanchez has advised that prior to putting the proposed compaction grouting contract out to bid, preliminary engineering specifications were performed by the Port's engineer, AGS Engineering Services, in order to provide potential bidders with an engineer's estimate of the cost of the project. AGS Engineering Services estimated the project to cost approximately \$1,746,000, and assuming a ten percent construction contingency of \$174,600 the total cost of the project would be approximately \$1,920,600. Therefore, Ms. Sanchez indicates that the low bid on the project of \$1,163,000 is unrealistically low, and the cost of the project including contingencies would likely be approximately \$1,920,600. However, the low bid was \$1,163,000.

4. Despite the low bid, Ms. Sanchez indicates that in order to prevent delays in the project, the Port is requesting a release of reserved funds in the amount of \$2,000,000, which includes the bid amount of \$1,163,000 and \$837,000 in contingency funds or approximately 72 percent of the low bid amount of \$1,163,000. Ms. Sanchez notes that if any of the \$837,000 in contingency funds are not used for the compaction grouting contract, the funds would be put towards other earthquake repair projects.

5. As noted, the funds were reserved pending the selection of the contractors and the submission of the MBE/WBE status of the contractors, and the Port has provided these details. Also as noted, the low bid on the project is \$1,163,000, although the Port initially estimated that the total project would cost approximately \$1,920,600, including a ten percent contingency. Because the low bid on the project was \$1,163,000 and because the Port cannot determine what the appropriate contingency would be at this time, the Budget Analyst recommends releasing a total of \$1,279,300 based on the low bid amount of \$1,163,000 and \$116,300 for a ten percent contingency. The need for any additional reserved funds for contingency costs should be requested by the Port at a later time when these contingency costs can be specified.

**Recommendation:** Release the reserved funds in the amount of \$1,279,300, which includes a ten percent contingency, and continue to reserve funds in the amount of \$720,700.

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Item 11 - File 68-92-4

**Department:** Mayor's Office of Economic Planning and Development (MOEPD)

**Item:** Resolution authorizing the Mayor to apply for, accept and administer a Federal grant in a total amount not-to-exceed \$8,206,000 for the Home Program and approving the Home Program description. Direct and indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant (CDBG) Funds.

**Grant Amount:** Not to exceed \$8,206,000

**Source of Grant:** U.S. Department of Housing Development (HUD)

**Grant Period:** Five years from the date that HUD approves the grant allocation

**Project:** Home Program

**Project Description:** The Home Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625), which provides funds for the acquisition, rehabilitation and development of affordable housing. The MOEPD reports that on January 16, 1992, HUD issued a Notice of Funding Availability for 1992. The MOEPD advises that, based on a formula, the City has been allocated an amount not-to-exceed \$8,206,000. In order to be eligible for these funds, the City must submit a program description of how it intends to spend the Home Program funds by March 27, 1992.

The MOEPD advises that the Home Program funds would be used in the context of the Citywide housing investment plan that includes several other sources of development monies including CDBG funds, the housing set-aside under the Hotel Tax Fund, any available funds from tax increment financing, the Office-Affordable Housing Production Program, and other special funds targeted for affordable housing. This investment plan would encourage the development of affordable housing in a manner consistent with the priorities for investment set forth in the City's Comprehensive Housing Affordability Strategy (CHAS), which was submitted to HUD on October 31, 1991, and approved by HUD on December 20, 1991, and with the goals of the Residence Element of the Master Plan adopted by the City's Planning Commission in September, 1990. Factors which would significantly impact on this plan include (1) the use restrictions associated with each funding source, such

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as those limiting the use of Hotel Tax funds to development of housing for seniors, and (2) the varying potential for leveraging non-City monies associated with each funding source.

The MOEPD reports that the Home Program funding regulations require that the City identify in its program description as to how the Home Program funds would be used among five categories: (1) new construction, (2) substantial rehabilitation (over \$25,000 per/unit), (3) other rehabilitation, (4) acquisition (without new construction or rehabilitation work) and (5) tenant assistance programs. The MOEPD advises that under the Citywide housing investment plan, the Home Program funds would be expended as follows:

- 1) Approximately 25 percent (\$2 million) of these funds would be set aside for new construction of single room occupancy hotels and other forms of group housing;
- 2) Approximately 25 percent (\$2.2 million) would be used for acquisition and rehabilitation of non-profit owned rental housing. There would be an emphasis on multiple-bedroom housing for very low and extremely low income households;
- 3) Approximately 12.5 percent (\$1 million) would finance the rehabilitation of private investor-owned rental housing, primarily multi-unit, multiple bedroom housing;
- 4) Approximately 12.5 percent (\$1 million) would be made available to rehabilitate both non-profit and for-profit owned group housing, including single room occupancy hotels and board and care facilities;
- 5) Approximately 25 percent (\$2 million) would constitute a pool of funds set aside for contingencies and for housing investment opportunities which are unforeseeable at the present time.

The MOEPD has prepared a summary of the proposed plan for investment of the overall housing development funds, including the Home Program funds in the City for 1992. This summary is included as a part of the program description to be submitted to HUD. The overall housing development funds available total \$23,800,000 of which \$8,200,000 represents Home Program Funds (see attachment).



**Local Match:** None in FY 1991-92. Beginning in either FY 1992-93 or FY 1993-94, the City would be required to match \$1 for every \$4 of Home Program funds used for moderate rehabilitation, \$1 for every \$3 used for substantial rehabilitation and \$1 for every \$2 used for new construction. The MOEPD advises that beginning in 1992-93 or 1993-94 future grant allocations will require local matching funds based on a formula. MOEPD estimates based on this formula that a future grant allocation of \$8.2 million would require a local match of approximately \$3 million. MOEPD has not as yet, identified the source of funds for this required match.

**Indirect Costs:** MOEPD reports that no Citywide indirect costs will be incurred in FY 1991-92 in connection with this proposed grant. The MOEPD does, however, expect to incur minimal indirect costs with regard to the Controller's Office beginning in FY 1992-93, with respect to the processing of these grant funds. MOEPD anticipates that these indirect costs will be minimal because once the MOEPD has identified the specific housing projects to receive Home Program funds, the grant monies will be disbursed by HUD directly to the projects. Such costs, which have not been specifically identified, would be paid for by CDBG funds. Since MOEPD has not identified specific indirect costs to be incurred in connection with this grant, the amount or percent to be included in the CDBG budget for this purpose has not been determined at this time.

**Comment:** Mr. Joe La Torre of the MOEPD reports that details on the allocation of funds for the Home Program will be provided at the time that the Department submits its request to the Board of Supervisors to expend the proposed Federal grant. The proposed legislation would authorize the MOEPD to administer the new grant. While this language is intended to inform the Federal grantor that the MOEPD will provide administrative oversight for these grant funds, it does not permit MOEPD to expend the grant funds until separate approval is obtained from the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

San Francisco Housing Development Funds F/Y 1992

	CDBG <sup>1</sup>	Hotel Tax <sup>2</sup>	Tax Increment <sup>3</sup>	Home <sup>4</sup>	(Total)
Fiscal Year:	Calend. 92	SF F/Y 92	SF F/Y 92	Fed. F/Y 92	
Total F/Y Funds:	\$3,360,000	\$3,400,000	\$14,800,000	\$8,200,000	\$29,760,000
Uncommitted as of 1/92:	2,500,000	2,700,000	10,480,000	8,200,000	\$23,880,000
<u>CHAS Targets:</u>					
New Family Rental Housing:	1,500,000		1,500,000		3,000,000
New SRO/Group Housing:			1,680,000	\$2,000,000	3,680,000
New Supportive Housing:			2,000,000		2,000,000
New Senior Housing:		2,700,000			2,700,000
Multiple BR Acquisition/Rehab:				3,200,000 <sup>5</sup>	3,200,000
SRO/Group Housing Ac/Rehab <sup>6</sup>			3,000,000	1,000,000	4,000,000
Ac/Rehab of At-risk Units:			1,800,000		1,800,000
Owner-occ. Single Family Rehab:	1,000,000				1,000,000
<u>Other Uses:</u>					
Predevelopment Loans:			500,000		500,000
Housing Opportunities Pool:				2,000,000	2,000,000
Totals:	\$2,500,000	\$2,700,000	\$14,800,000	\$8,200,000	23,800,000

<sup>1</sup>Includes Site Acquisition pool (\$2,000,000) and Rehabilitation pool (\$1,360,000).

<sup>2</sup>May only be used for new construction of elderly/disabled units.

<sup>3</sup>\$5,000,000 of funds (\$4,680,000 uncommitted) must be used in South of Market Earthquake Recovery Redevelopment Area.

<sup>4</sup>Funds expected to be available June/July 1992.

<sup>5</sup>Includes \$2.2 million for non-profit and \$1.0 million for private investor-owned housing.

<sup>6</sup>Includes funds for both non-profit and for-profit owned rehabilitation (e.g. board and care homes).

Items 12 and 13 - Files 101-91-57 and 102-91-17

**Department:** Adult Probation

**Item:** Ordinance appropriating \$43,386 for permanent salaries-, and related mandatory fringe benefits and materials and supplies, for the creation of three new positions (File 101-91-57).

Ordinance amending the 1991-92 Annual Salary Ordinance to reflect the addition of three positions in the Adult Probation Department (File 102-91-17).

**Amount:** \$43,386

**Source of Funds:** General Fund - General Reserve

**Program:** Accelerated Investigation Program

**Description:** Before a convicted felon is sentenced, the Adult Probation Department must prepare a pre-sentence report to the Court, including the individual's current offense, criminal history, social history, and, if applicable, any negotiated dispositions between the client and the District Attorney. The pre-sentence report also makes a recommendation as to the disposition of the sentence. Currently, pre-sentence reports must be completed within 20 court days of an individual's conviction. These pre-sentence reports are prepared for all convicted felons, including those in the Sheriff's custody, those out on bail, and those out on their own recognizance.

The proposed Accelerated Intervention Program would allow the Adult Probation Department to reduce the amount of time for preparing pre-sentence reports from 20 court days, which is generally 28 calendar days, to 15 court days, generally 21 calendar days for convicted felons in the Sheriff's custody only. The period for completing re-sentence reports for convicted felons on their own recognizance or out on bail would continue to be completed in 20 court days. Since all convicted felons, once sentencing has occurred, are moved from the County jail system to State jails or released on probation, implementation of this program would reduce the jail population by at least seven beds, or one bed per day for 28 calendar days less one bed per day for 21 calendar days, per month per convicted felon. Mr. Roy Ellender of Adult Probation advises that the 23 Probation Officers who write pre-sentence reports prepared 460 pre-sentence reports in the month of February, of which 100 were custody cases. Thus, in February, the number of inmates in the County jail system

would have been reduced by at least seven days times 100 convicted felons in custody, or 700 total beds for the month. The Board of Supervisors is currently considering a proposal to rent jail beds in Alameda County at a cost of \$63.10 per diem. To rent 100 jail beds for seven days at a rate of \$63.10 per diem would cost \$44,170.

**Positions to be  
Added:**

<u>Class</u>	<u>Title</u>	<u>FTE</u>	1991-92	1991-92 Total
			Maximum Bi-Weekly Salary/Class	Maximum Annual Salaries for 3 Positions
1424 A	Clerk Typist	1.0	\$1,057	\$27,588
8442 A	Senior Probation Officer	<u>2.0</u>	<u>1,740</u>	<u>90,828</u>
Totals		3.0	\$2,797*	\$118,416

\*Total biweekly salary costs for all three positions is \$4,537.

**Comments:**

1. The capacity of the entire jail system of the City and County of San Francisco is 1,652, yet the population is now 2,220. The City is under Federal Court Order to maintain the population of County Jail #1, located at the Hall of Justice, below 426 inmates per day. For each prisoner in County Jail #1 above that number, San Francisco could pay a penalty of \$300 per day. For the six month period of August 1, 1991 to February 1, 1992, the Sheriff reports that the population of County Jail #1 exceeded its legal capacity 6,696 times, or an average of 24 inmates over the legal capacity per day. The fine to the City for exceeding capacity 6,696 times, at \$300 each time, would have been \$2,008,800 for that six month period. Fines have not yet been imposed because the City Attorney is appealing the Court Order. Any attempt to ameliorate the problem will be looked upon favorably by the Court, Mr. Dennis Aftergut of the City Attorney advises. The case is scheduled on appeal for March 10, 1992.

2. According to Mr. Ellender, the proposed Program could be implemented as soon as funds were available. The Adult Probation Department would like to begin the Program by April 1, 1992, or three months before the end of the fiscal year. Ms. Ellender advises that the Department would promote an existing Probation Officer and move a Senior Probation Officer laterally from another area into the proposed two new Senior Probation Officer positions. One such Probation Officer has been identified, and one will be identified this week, Mr. Ellender reports. According to Mr. Ellender, it would take at least four weeks to fill the positions vacated by the two promoted Probation Officers, which would



result in additional salary savings to the City. The Mayor's Office advises that the Adult Probation Department would be permitted to fill those vacated positions despite the hiring freeze. The Adult Probation Department anticipates filling the Clerk Typist position immediately from a Civil Service list.

If the proposed Accelerated Release Program began April 1, 1992, savings of approximately 2,100 jail beds through the end of the fiscal year might result, or 100 inmates released from the Sheriff's custody times seven days early over a three month period.

3. Mr. Ellender advises that in order to implement the proposed Program, the Department would need to use its available overtime for training and start-up costs. The Department has sufficient unused overtime remaining in fiscal year 1991-92 for that purpose, Mr. Ellender advises. Mr. Ellender anticipates that the Department would not need additional overtime for next fiscal year, because training and start-up would be completed by June 30, 1992.

4. The proposed project budget for Fiscal Year 1991-92 includes \$34,935 for salaries and \$3,451, or approximately ten percent for fringe benefits for the three positions, to begin work as of April 1, 1992. As noted above, the maximum annual salary for the proposed three positions would be \$118,416. The proposed Accelerated Investigation Program, if approved, would operate for 6.5 pay periods. At the maximum bi-weekly salaries noted above, the cost of two Senior Probation Officers and a Clerk Typist for 6.5 pay periods would be \$29,491. Therefore, the amount for Permanent Salaries should be reduced from \$34,935 to \$29,491, a reduction of \$5,444. In addition fringe benefits on \$29,491 at ten percent of salaries, would equal \$2,949. Therefore, fringe benefits should be reduced by \$502, from \$3,451 to \$2,949. The proposed budget also includes \$5,000 for Materials and Supplies. Mr. Ellender reports that Materials and Supplies would include the following:

4 Filing cabinets at \$228 each	\$ 914
2 desks at \$200 each	400
4 partitions at \$106	424
Electrical work (based on a DPW estimate)	500
2 telephones and telephone lines	300
2 chairs at \$232 each	464
Mileage reimbursement to San Bruno (2 trips per officer per day at 22¢ per mile)	1,500
2 answering machines at \$99 each	198



Miscellaneous supplies (including  
forms and reproduction)

300

Total Materials and Supplies

\$5,000

5. In addition to the proposed Accelerated Investigation Program, Ms. Arlene Sauser, of the Adult Probation Department, advises that the Adult Probation Department, at no additional cost, is beginning an Early Release Program. Ms. Sauser advises that the Early Release Program consists of existing Probation Officers reviewing their caseloads for custody cases, assessing those cases that present little or no risk to the community, and then presenting those cases to the Court for consideration of early release. The Adult Probation Department has met with Judges from both the Superior and the Municipal Courts, who have agreed to reconsider those cases which are brought to their attention, Ms. Sauser reports. According to Ms. Sauser, the Early Release Program is being implemented this week, and the Department anticipates that from 20 to 40 inmates may be released.

6. The proposed Accelerated Investigation Program represents a long term alternative in reducing jail overcrowding, because it would shorten the time between conviction and sentencing by one week on a permanent basis, Mr. Ellender advises. Since jail overcrowding would be permanently reduced as a result of the proposed Program, it would be beneficial to review, and possibly reduce, costs incurred by the Sheriff's Department due to jail overcrowding, such as jail bed rental or overtime costs.

**Recommendations:** 1. Amend the proposed ordinance (File 101-91-57) to reduce Permanent Salaries by \$5,444, from \$34,935 to \$29,491, and to reduce fringe benefits by \$502, from \$3,451 to \$2,949.

2. Approval of the proposed ordinances, as amended, which would create a new Accelerated Intervention Program, resulting in the addition of three new positions from General Fund monies, is a policy matter for the Board of Supervisors (Files 101-91-57 and 102-91-17).

Items 14, 15, 16 and 17 - Files 60-92-1.1, 60-92-1.2, 60-92-1.3 and 60-92-1.4

**Items:**

Ballot argument (First Draft) in favor of Proposition D concerning improving the heating system within the Civic Center Area (File 60-92-1.1).

Ballot argument (First Draft) in favor of Proposition B concerning improving the Civic Center Plaza and Fulton Street Mall (File 60-92-1.2).

Ballot argument (First Draft) in favor of Proposition C concerning enlarging the existing Civic Center Parking Garage or construction of an adjacent parking garage (File 60-92-1.3).

Ballot argument (skeletal) in favor of Proposition A concerning improvements to Golden Gate Park (File 60-92-1.4).

**Comment:**

The Budget Analyst does not report on ballot arguments.



Item 18 - File 101-91-52

**Department:** Public Utilities Commission (PUC)  
Hetch Hetchy

**Item:** Supplemental Appropriation Ordinance for professional services and non-work order services of other departments - City Attorney, and rescinding \$848,889 from various capital improvement projects, Hetch Hetchy for fiscal year 1991-92.

**Amount:** \$848,889

**Source of Funds:** Previously appropriated funds for various Hetch Hetchy Capital Improvement Projects

**Description:** The Water Rights Program of the Hetch Hetchy Project is engaged in a number of activities designed to protect San Francisco's water rights and water supply. Because the State Water Resources Control Board continues to review San Francisco's water rights and may propose a reallocation of water resources within the San Francisco Bay/San Joaquin Delta region, Hetch Hetchy's Water Rights Program has expanded significantly during FY 1991-92.

The proposed supplemental appropriation would be used to provide additional legal counsel, economic consulting services and City Attorney staff support needed as a result of continued water rights related litigation, and related to the purchase of water and hearings by the Federal Energy Regulatory Commission on fishery flow requirements in the Tuolumne River.

According to a Public Utilities Commission (PUC) resolution which requests the Mayor to recommend to the Board of Supervisors the proposed \$848,889 reappropriated funding request, there is insufficient funding in the current operating budget (FY 1991-92) for these services. Therefore, the PUC proposes to fund the proposed supplemental appropriation request through closeout balances in the following Hetch Hetchy Capital Improvement Projects:

Priest Reservoir Bypass	\$ 39,729
Kirkwood Powerhouse Addition	369,770
Moccasin Creek Bypass Repair Lining	175,225
Early Intake Rehabilitation	81,182
O'Shaughnessy Dam Camp	10,000
Holm Penstock Slope	24,354
Moccasin Dam Safety	4,457
Moccasin Penstock Replacement	10,102
Generator Electrical Condition Monitor	<u>134,070</u>
Total	\$848,889

**Comments:**

1. Mr. Larry Klein of Hetch Hetchy reports that in order to provide for the legal and other professional services for the remaining months of FY 1991-92, the Department intends to use \$65,000 which is left in the Department's FY 1991-92 operating budget for Professional Services, and \$1,000 from other budgeted funds for FY 1991-92, in addition to the proposed supplemental appropriation funds of \$848,889. Therefore, the below-listed budget reflects a total of \$914,889 (\$66,000 in remaining budgeted funds plus \$848,889 in proposed supplemental appropriation funds). The proposed funds would be used as follows:

Professional Services

Vinson & Elkins (@1,700 hrs @ \$250 hr)	\$425,000
Ellis & Prioleau (@1,554 hrs @ \$130 hr)	202,000
David M. Dornbusch (@2,105 hrs @ \$95 hr)	<u>200,000</u>
Total professional services	\$827,000

City Attorney's Office

87,889

Total

\$914,889

2. According to Mr. Klein, the law firms of Vinson & Elkins and Ellis & Prioleau would perform their legal services as part of on-going contracts between these firms and the PUC. Mr. Klein reports that David M. Dornbusch, which would provide economic services consulting, was selected through a RFP process and would be a newly retained firm. Mr. Arnold Baker of the PUC reports that Ellis & Prioleau is certified with the PUC contract compliance office as a MBE firm. However, neither Vinson & Elkins nor David M. Dornbusch & Company is certified with the PUC as a MBE or WBE firm. Mr. Baker also reports that because the PUC is required to follow Federal contract compliance guidelines rather than San Francisco Human Rights Commission guidelines, Ellis & Prioleau is certified as a MBE firm although they are not a local firm, but rather they are located in Maryland.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3. As noted on the attached schedule prepared by the City Attorney, the City Attorney has projected that \$533,738 would be required through the end of FY 1991-92 for water-rights related services. However, the City Attorney's Office has incurred \$445,849 from available budgeted funds, a difference of \$87,889 which is requested from the proposed supplemental appropriation ordinance. The attached schedule prepared by the City Attorney's Office documents the details of this new request.

4. Mr. Klein also reports that all of the above-listed capital improvement projects which have closeout balances are completed projects, except for the Generator Electrical Condition Monitor project. As a result, except for this one project, the requested reappropriation of funds would not defer capital improvements for Hetch Hetchy. Mr. Klein states that the Generator Electrical Condition Monitor project would enable the PUC to predict electrical generator failures. Mr. Klein indicates that Hetch Hetchy has determined that it is a higher priority to protect San Francisco's water rights at the present time than to pursue a General Electrical Condition Monitor project. Mr. Klein further indicates that this project may be funded at some time in the future.

5. Ms. Shirley Hoaglin of Hetch Hetchy reports that thus far, approximately \$2,855,698 has been spent on legal, professional and technical services related to the water rights issue, including approximately \$776,429 in legal fees for Vinson & Elkins and \$61,865 in legal fees for Ellis & Prioleau, not including the proposed supplemental appropriation request. Including the proposed supplemental appropriation results in approximately \$3,704,587 to date related to this water rights issue.

6. The Board is also considering a related item requesting a release of \$214,850 in reserved funds (File 100-91-1.20, Item #19) in a companion item in this report pertaining to economic and hydrological consulting in support of ongoing litigation related to the City's water rights. However, Mr. Klein states that these reserved funds under Item #19 are not sufficient to pay for all of the services needed for the Water Rights Program during FY 1991-92, and therefore, the Department is requesting the proposed supplemental appropriation. Including the requested \$214,850 in reserved funds results in a total of approximately \$3,919,437 of legal, professional and technical services that would be appropriated to date for this water rights issue.

7. The PUC is requesting that the proposed supplemental appropriation ordinance and the request for release of reserved funds (File 100-91-1.20, Item #19) be considered simultaneously in closed executive session, so that the Committee can be fully apprised of Hetch Hetchy's need for consultants' services and the related current status of litigation relating to its Water Rights Program. Given that there are issues and litigation related to the proposed request that may be discussed in closed executive session that were not discussed with the Budget Analyst, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Hetch Hetchy Supplemental for City Attorney Services  
Fiscal Year 1991-1992

HETCH

<u>Class</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>	<u>%</u>	<u>Amt Needed</u>
8183	305	\$111.00	\$ 33,855		
8181	1375	\$107.51	\$147,826		
8182	366	\$104.18	\$ 38,130		
8180	666	\$ 99.50	\$ 66,267		
8178	841	\$ 86.46	\$ 72,713		
8176	610	\$ 78.66	\$ 47,983		
8174	713	\$ 70.39	\$ 50,188		
			<u>\$456,962</u>	100%	\$456,962

BLHP

8183	5	\$111.00	\$ 555		
8180	64	\$ 99.50	\$ 6,368		
			<u>\$ 6,923</u>	100%	\$ 6,923

PUC

8183	454	\$111.00	\$ 50,394		
8181	261	\$107.51	\$ 28,060		
8182	198	\$104.18	\$ 20,628		
8180	684	\$ 99.50	\$ 68,058		
8178	405	\$ 86.46	\$ 35,016		
8176	198	\$ 78.66	\$ 15,575		
8174	108	\$ 70.39	\$ 7,602		
			<u>\$225,333</u>	31%	<u>\$ 69,853</u>

Estimated cost	\$533,738
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Less amount budgeted	(\$445,804)
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Less rounding error	<u>(\$ 45)</u>
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Supplemental requested	\$ 87,889
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4284L



Item 19 - File 100-91-1.20

**Note:** The proposed item was continued at the Finance Committee meeting of February 19, 1992.

**Department:** Public Utilities Commission (PUC) - Hetch Hetchy

**Item:** Request for release of reserved funds for economic and hydrological consulting services in support of ongoing litigation related to the City's water rights.

**Amount:** \$214,800

**Source of Funds:** Hetch Hetchy 1991-92 budget - Other Contractual Services

**Description:** The Water Rights Program of the Hetch Hetchy Project is engaged in a number of activities designed to protect San Francisco's water rights and water supply. Because the State Water Resources Control Board continues to review San Francisco's water rights and may propose a reallocation of water resources within the San Francisco Bay/San Joaquin Delta region, Hetch Hetchy's Water Rights Program has expanded significantly in 1991-92.

Hetch Hetchy's 1991-92 budget included \$1,280,000 for contractual services related to the Water Rights Program. These funds are used for legal, professional and technical services, including economic, hydrological, and engineering consultants, which enable Hetch Hetchy to participate in State water allocation hearings and to address regulatory and legal issues concerning the water supply.

During the 1991-92 budget hearings, \$214,850 (rather than \$214,800, as stated in the PUC request for release of these funds) was reserved in the Hetch Hetchy budget for Other Contractual Services, pending the determination of actual contract amounts, hourly rates, and MBE/WBE status of the contractors.

The PUC reports that release of reserve funds is requested to fund additional services which would be performed by the following contractors:



<u>Contractor</u>	<u>MBE/WBE Status</u>	<u>Hourly Rates</u>	<u>Estimated Hours</u>	<u>Additional Amount of Contract</u>
Bookman-Edmonson, Inc. Hydrological Modeling Consultants	None	\$60 - 125	900	\$100,000
Manna Consultants Engineering, Hydrological Modeling, Litigation Research	MBE	48-101	270	20,000
McLeod & Associates Economic Consultants	MBE	90-150	<u>830</u>	<u>100,000</u>
Total Additional Contractual Services			2,000	\$220,000

**Comments:**

1. The amount placed on reserve in Hetch Hetchy's Other Contractual Services budget was \$214,850, rather than \$214,800, as stated in the PUC's request for release of the reserved funds. Mr. Lawrence Klein, Hetch Hetchy Deputy General Manager, reports that the PUC request is in error and that the PUC wishes to request the release of \$214,850 which was placed on reserve.

2. Mr. Klein reports that services obtained through the proposed contracts will consist of confidential economic consulting services for litigation involving the Federal Energy Regulatory Commission and the State Department of Water Resources, and similar services relating to the ongoing San Francisco Bay/San Joaquin Delta hearings of the State Water Resources Control Board concerning possible re-allocations of water rights. Mr. Klein indicates that the nature of these services should be discussed with the Finance Committee in closed executive session.

The additional services will be requested on an "as needed" basis as the litigation and water allocation hearings may require, according to Mr. Klein. For this reason, the actual number of hours of service to be provided under each contract is not stipulated in the proposed contracts, but the amounts billed to the City cannot exceed the total amounts authorized by the proposed contracts.

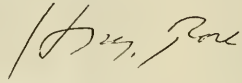
4. The total amount of the proposed contracts (\$220,000) exceeds the amount of funds on reserve (\$214,850) by \$5,150. Mr. Klein reports that if the reserved funds are released, the amount which will then be available in the Hetch Hetchy budget for Other Contractual Services will be sufficient to pay the cost of the proposed contracts.

5. As noted above, the proposed release of reserve would fund additional contract amounts for the three above-listed consultants. Ms. Shirley Hoaglin of Hetch Hetchy reports that thus far, approximately \$2,855,698 has been spent on legal, professional and technical services related to the water rights issue, not including the proposed request for release of reserved funds. Including the requested \$214,850 release of reserved funds, would result in a total thus far, of approximately \$3,070,548.

6. Mr. Klein indicates, however, that budgeted funds for Other Contractual Services are not sufficient to pay the costs of certain other additional contractual services which will be needed for the Water Rights Program in the current year. The Finance Committee is also considering a \$848,889 supplemental appropriation ordinance (File 101-91-52, Item # 18) for additional professional services for water rights related litigation. Including this supplemental appropriation ordinance of \$848,889 results in a total of approximately \$3,919,437 in legal, professional and technical services appropriated to date, for this water rights issue.

7. The PUC is requesting that the proposed request for release of reserved funds and the proposed supplemental appropriation ordinance (File 101-91-52, Item #18) be considered simultaneously in closed executive session, so that the Finance Committee can be fully apprised of Hetch Hetchy's need for consultants' services and the related current status of litigation relating to its Water Rights Program. Given that there are issues and litigation related to the proposed request that may be discussed in closed executive session that were not discussed with the Budget Analyst, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed release of reserved funds in the amount of \$214,850 is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Shelley  
Supervisor Hallinan  
President Ward  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

0.25  
2  
8/92

ACTION CALENDAR

**CALENDAR**

**MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

PUBLIC LIBRARY (2)  
DOCUMENTS DIVISION  
CIVIC CENTER

WEDNESDAY, MARCH 18, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

**CONSENT CALENDAR**

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 146-92-13. [Grant - State Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuation grant of \$419,108, which includes indirect costs in the amount of \$10,899, based on 10% of personnel costs, including fringe benefits, from the California Department of Health Services to continue funding the AIDS Medi-Cal Waiver Program; providing for ratification of action previously taken. (Dept. of Public Health)
- b. File 132-92-2. [Grant - State Funds] Resolution authorizing the San Francisco Art Commission to apply for, accept, and expend \$68,000 of California Arts Council Funds to support information and referral services to artists seeking combined living and studio space; to provide arts education resources linking schools and community centers to artists and arts organizations; and to coordinate and stimulate the exchange of ideas and information among the arts communities, the public and city government with the participation of local, state and national resources; 2% for indirect cost will be included. (Art Commission)
- c. File 132-92-1. [Grant - Foundation Funds] Resolution authorizing the San Francisco Art Commission to apply for, retroactively, accept and expend renewal of annual \$60,000 Burlington Resources Foundation Grant for support of high artistic standards and low-cost ticket prices at the 1992 POPS Series, and to ensure added revenues to benefit Art Commission Community Arts Program; waiving indirect costs. (Art Commission)
- d. File 147-92-2. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for funds not to exceed \$879,935 available through the California State Library from Title II of the Library Services and Construction Act for public library construction, which includes indirect costs in the amount of \$43,997 or five percent of the total. (Public Library)

- e. File 23-92-1. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to a warrant of the City and County of San Francisco, in the sum of \$114.40 a legal obligation of the City and County of San Francisco. (Health Service System)
- f. File 23-92-2. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to a warrant of the City and County of San Francisco, in the sum of \$405.36 a legal obligation of the City and County of San Francisco. (Dept. of Public Health)

ACTION: Items 1b and 1c severed. Remainder Recommended.

Item 1b, File 132-92-2. Amended. (Add to title apply for "retroactively") Recommended as Amended.

Item 1c, File 132-92-1. Recommended.

#### REGULAR CALENDAR

- 2. File 118-92-1. Hearing to consider the problem of litter on City streets and to examine ways of reducing litter. (Supervisor Shelley)

ACTION: HEARING HELD. CONTINUED TO CALL OF THE CHAIR.

- 3. File 101-91-56. [Government Funding] Ordinance appropriating \$450,000, Juvenile Probation, for training and various capital improvement project. RO #91183. (Controller)

ACTION: AMENDED. (Add to title: "placing reserve on \$333,392".)  
RECOMMENDED AS AMENDED.

- 4. File 82-92-3. [Sale of Easement] Ordinance authorizing the sale of a non-exclusive access easement over the Water Department's Bay Division Pipeline right-of-way in San Mateo County for the benefit of the adjoining landlocked property - \$75,000. (Real Estate Dept.)

ACTION: RECOMMENDED.

- 5. File 64-92-5. [Lease of Real Property] Resolution authorizing a new lease of real property at 680 8th Street, for the Department of Public Health, for offices of the Child Health and Disability Prevention Program and the California Children's Services Program. (Real Estate Dept.)

ACTION: RECOMMENDED.

- 6. File 52-92-2. [Underground District] Ordinance creating an Underground District on Eighth Avenue in the Sunset District. (Dept. of Public Works)  
(Recommended from City Services Committee 3/3/92 - Fiscal Impact)

ACTION: CONTINUED TO APRIL 1, 1992.



7. File 101-91-53. [Government Funding] Ordinance appropriating \$1,346,000, Department of Public Works, for capital improvement project (Wastewater Reclamation Master Plan). RO #91178 (Controller)  
(Cont'd from 3/11/92)

ACTION: CONTINUED TO APRIL 1, 1992 (at request of Dept. of Public Works)

8. File 30-92-4. [AB 75 Capital Outlay Plan] Resolution authorizing amendment to the AB 75 Capital Outlay Plan for the City and County of San Francisco, as adopted by Resolution No. 125-91 to delete five San Francisco General Hospital Projects and to substitute in their place six other San Francisco General Hospital Projects. (Dept. of Public Health)

ACTION: RECOMMENDED.

9. File 146-92-14. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuation grant of \$8,309,963, from the Health Resources and Services Administration to continue funding the Ryan White Comprehensive AIDS Resources Emergency (Care-Title I Formula) Disaster Relief Grant; waiving indirect costs and providing for ratification of action previously taken. (Dept. of Public Health)

ACTION: AMENDMENT OF THE WHOLE PRESENTED IN CMTE. BY DEPT. OF PUBLIC HEALTH ADOPTED. (Add to title: "and granting an extension for compliance with the City's Disability Access Ordinance".)  
RECOMMENDED AS AMENDED.

10. File 146-92-15. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuation grant of \$14,661,192, from the Health Resources and Services Administration to continue funding the Ryan White Comprehensive AIDS Resources Emergency (Care-Title I Supplement) Disaster Relief Grant; waiving indirect costs. (Dept. of Public Health)

ACTION: AMENDMENT OF THE WHOLE PRESENTED IN CMTE. BY DEPT. OF PUBLIC HEALTH ADOPTED. (Add to title: "and granting an extension for compliance with the City's Disability Access Ordinance".)  
AMENDED. (Add to title: "placing reserve on \$1,270,000")  
RECOMMENDED AS AMENDED.

11. File 60-92-1.5. Hearing to consider rebuttal argument concerning improving the heating system within the Civic Center Area (Prop. D). (Supervisor Gonzalez)

ACTION Rebuttal Ballot Argument adopted. Motion prepared in/reported out of Cmte. "Authorizing rebuttal to opponent's ballot argument against Proposition D, a bond issue providing for improvements to the heating system within the Civic Center Area, at a cost of \$21,220,000."  
RECOMMENDED.

12. File 60-92-1.6. Hearing to consider rebuttal argument concerning improving the Civic Center Plaza and Fulton Street Mall (Prop. B). (Supervisor Gonzalez)

ACTION: Rebuttal Ballot Argument adopted. Motion prepared in/reported out of Cmte. "Authorizing rebuttal to opponent's ballot argument against Proposition B, a bond issue providing for improvements to the Civic Center Plaza and Fulton Street Mall, at a cost of \$26,700,000." RECOMMENDED.

13. File 60-92-1.7. Hearing to consider rebuttal argument concerning enlarging the existing Civic Center Parking Garage or construction of adjacent parking garage (Prop. C). (Supervisor Gonzalez)

ACTION: Rebuttal Ballot Argument adopted. Motion prepared in/reported out of Cmte. "Authorizing rebuttal to opponent's ballot argument against Proposition C, a bond issue providing for the enlargement of the existing Civic Center Parking Garage or construction of a parking garage adjacent thereto, at a cost of \$24,000,000." RECOMMENDED.

14. File 60-92-1.8. Hearing to consider rebuttal argument concerning improvements to Golden Gate Park (Prop. A). (Supervisor Gonzalez)

ACTION: Rebuttal Ballot Argument adopted. Motion prepared in/reported out of Cmte. "Authorizing rebuttal to opponent's ballot argument against Proposition A, a bond issue providing for construction or reconstruction of improvements to Golden Gate Park, at a cost of \$76,300,000." RECOMMENDED.

15. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 3/11/92)

ACTION: HEARING HELD. CONTINUED TO MARCH 25, 1992.

25  
92  
CITY AND COUNTY



Public Library, Documents Dept.

OF SAN FRANCISCO

ATTN: Gerry Roth

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 16, 1992

TO: Finance Committee

DOCUMENTS DEPT.

FROM: Budget Analyst - *Recommendations*

MAR 20 1992

SUBJECT: March 18, 1992 Finance Committee Meeting

SAN FRANCISCO  
PUBLIC LIBRARY

Item 1a - File 146-92-13

Department: Department of Public Health (DPH)  
AIDS Office

Item: Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuation grant of \$419,108, which includes indirect costs in the amount of \$10,899, based on ten percent of total personnel costs, including fringe benefits, from the California Department of Health Services to continue funding the AIDS MediCal Waiver Program; providing for ratification of action previously taken.

Grant Amount: \$419,108

Grant Period: January 1, 1992 through December 31, 1992

Source of Funds: California Department of Health Services

Project: AIDS MediCal Waiver Program

Description: The AIDS MediCal Waiver Program waives the restrictions on MediCal reimbursement for certain services for eligible participants. Specifically, the AIDS MediCal Waiver Program provides case management services and arranges for home-based care to MediCal beneficiaries with AIDS and AIDS-Related Condition (ARC). These services include skilled nursing care, psychosocial counseling, attendant care, and homemaker services.

Memo to Finance Committee  
March 18, 1992

<b>Budget:</b>	<u>Personnel</u>	<u>FTE</u>	
	Public Health Nurse	1.00	\$65,731
	Secretary II	<u>.25</u>	<u>7,271</u>
	Total Permanent Salaries	1.25	\$73,002
	Fringe Benefits at 26 percent		18,981
	Temporary Personnel (as-needed Nurse)		<u>17,009</u>
	Total Temporary and Permanent Personnel		\$108,992
	<u>Contractual Services</u>		
	Skilled Nursing (3,060 hours at \$28.55/hr.)		87,363
	Attendant Care (14,699 hours at \$12.26/hr.)		180,240
	Homemaker Services (3,817 hours at \$7.26/hr.)		<u>27,699</u>
	Total Contractual Services		295,302
	<u>Materials and Supplies</u>		
	Courier		\$295
	Pagers		240
	Postage		240
	Reproduction		360
	Office Supplies		<u>480</u>
	Total Materials and Supplies		1,615
	<u>Other</u>		
	Client Taxi Scripts		1,500
	Translation Services for the Hearing Impaired		<u>800</u>
	Total Other		2,300
	<u>Indirect Costs</u> (10 percent of Personnel)		<u>10,899</u>
	TOTAL PROJECT BUDGET		\$419,108
<b>Required Match:</b>	None		
<b>No. of Persons Served:</b>	50 people per month with AIDS or ARC who meet the MediCal Waiver eligibility requirements		
<b>Indirect Costs:</b>	\$10,899, or ten percent of personnel costs		
<b>Comments:</b>	1. According to the DPH, if grant funding were reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support 1.25 FTEs, an increase of .25 FTEs over the previous grant.		

**BOARD OF SUPERVISORS**  
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2. The proposed grant of \$419,108 represents a \$19,694, or four percent reduction from the \$438,802 grant received in 1991.

3. The proposed grant would begin January 1, 1992. Mr. Tim Piland of the DPH advises that the Department was not informed until January 8, 1992 that grant funds had been allocated to them. The DPH advises that it has begun to incur costs against the grant, and therefore the DPH has included a provision for ratification of action previously taken in the proposed legislation.

4. According to Mr. Piland, contractors for the proposed grant were selected last year based on a competitive bid. Mr. Piland reports that these contracts will be bid competitively again in 1993-94.

5. Mr. Piland advises that the DPH did not previously receive authorization to apply for the proposed grant because the funder does not require that an application be submitted for this grant. Rather, funds are granted on the basis of a predetermined allocation, Mr. Piland reports.

6. The DPH has completed a Disability Access Checklist, which is in the file.

7. Attached is a Summary of Grant Request Form, as prepared by the Department.

**Recommendation:** Approve the proposed resolution.





Item 1b - File 132-92-2

**Department:** San Francisco Arts Commission

**Item:** Resolution authorizing the San Francisco Arts Commission to apply for, accept and expend California Arts Council Funds, which includes two percent for indirect costs.

**Grant Amount:** \$68,000

**Source of Grant:** The California Arts Council State-Local Partnership Program

**Grant Period:** July, 1992 to June, 1993

**Project Description:** The proposed State grant funds would be used to fund two program components. The first program component, which would be directly administered and coordinated by the San Francisco Arts Commission, would consist of a series of three public forums to address issues on (1) arts education and arts in education collaborations and priorities (2) arts facility development for artists and arts organizations and (3) public education and participation in the creative process of public art. An additional issue the Arts Commission would explore through the public forum series involves the representation and participation of diverse cultures in the planning and implementation of arts programs and activities. The main thrust of the public forums would be to coordinate and stimulate the exchange of ideas and information among the arts communities, the public and the City, using resources from the local, State and national level. The second program component would provide the following services: (1) information and referral services to artists seeking combined live/work space, (2) technical assistance to neighborhood arts groups and (3) development of an art education program.

<b>Project Budget:</b>	<u>Personnel</u>		
	Arts Education Coordinator	\$15,000	
	Arthouse Manager	<u>15,000</u>	
	Subtotal		\$30,000

<u>Operating Expenses</u>	
Consultant Services	\$22,000
Speakers fees/honorariums	7,500
Equipment Rental	600
Travel	900
Publicity/Advertising	<u>5,640</u>
	\$36,640
 <u>Indirect Costs</u>	 <u>1,360</u>
 Total	 68,000

**Required Match:** \$68,000 - included in the Arts Commission 1992-93 budget

**Indirect Costs:** \$1,360 or two percent of the total grant

**Comments:**

1. The deadline for the proposed grant application was January 24, 1992. The Arts Commission reports that the application for these grant funds has already been submitted. Therefore, the proposed resolution should be amended to authorize the Arts Commission to apply for this proposed grant retroactively.
2. Attached is a Grant Summary, as prepared by the Arts Commission, for this proposed grant.
3. The Arts Commission has prepared a Disability Checklist which is in the file.

**Recommendation:** Amend the proposed resolution to authorize the Arts Commission to apply for the proposed grant retroactively. Approve the resolution as amended.

File Number \_\_\_\_\_

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying  
resolution:

Department: San Francisco Arts Commission

Contact Person: Sonia Gray Telephone: 554-9671

Project Title: Arts Education & Live/Work Space for Artists

Grant Source: California Arts Council State Local Partnership Program

### Proposed (New / Continuation) Grant Project Summary:

To provide arts education resources linking schools and community centers to artists and arts organizations; and to coordinate and stimulate the exchange of ideas and information among the arts communities, the public and city government with the participation of local, state and national resources. To support information and referral services to artists seeking combined living and studio space.

Amount of Grant Funding Applied for: \$68,000

Maximum Funding Amount Available: \$70,000

Required Matching Funds: \$68,000

Number of Positions Created and Funded: 2

Amount to be Spent on Contractual Services: \$22,000

Will Contractual Services be put out to Bid? Yes

Grant Application Information Form  
Page 2

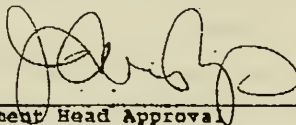
Term of Grant: FY 92-93

Date Department Notified of Available funds: June 1991

Application Due Date: January 24, 1992 (applications reviewed March 24, 1992)

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Please see attached.



Department Head Approval



Memo to Finance Committee  
March 18, 1992

Item 1c - File 132-92-1

**Department:** Art Commission

**Item:** Authorizing the San Francisco Art Commission to apply for, retroactively, accept and expend renewal of an annual Burlington Resources Foundation grant for support of high artistic standards and low-cost ticket prices at the 1992 POPS series, and to ensure added revenues to benefit the Art Commission Community Arts Program

**Grant Amount:** \$60,000

**Grant Period:** July 15, 1992 through August 1, 1992

**Source of Funds:** Burlington Resources Foundation

**Project:** 1992 POPS Summer Concert Series

**Description:** The Art Commission is mandated by the Charter to produce a concert series with a municipal symphony, which for several years has been the POPS Summer Concert Series. The proposed grant funds would be used for operating support to help promote the POPS summer concert series. Since the Burlington Foundation cannot make contributions directly to any government agency, the funds would be placed on account with a non-profit corporation, Chamberworks, to act as fiscal receiver and disbursing officer of the funds. This annual grant would assist the Art Commission in serving a variety of communities, including individual artists and neighborhoods which would not otherwise be served.

<b>Program Budget:</b>	<u>Musicians' Fees/San Francisco Symphony</u>	\$30,000
	<u>Publicity and Advertising</u>	15,000
	30 percent of cost of radio/print ads, and direct mail promotional brochures	
	<u>Guest Artist Fee</u>	<u>15,000</u>
	Keith Brion - POPS Opening Night	
	Total Budget	\$60,000

**Indirect Costs:** None (See Comment #3).

**Required Match:** None.

**Comments:** 1. The Art Commission reports that total cost for the POPS summer concert series are estimated at \$981,733 for nine

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

concerts. Section 6.400 of the San Francisco Charter provides that one-half cent on each one hundred dollars of assessed valuation of property is set aside for funding for the Art Commission to provide the POPS Summer Concert series. The Art Commission indicates that estimated revenues from property taxes for the summer concert series are approximately \$600,000 for FY 1992-93. The Art Commission also indicates that remaining funding for the concert series would come from ticket sales. Tickets range in price from \$2.50 to \$32.00 for approximately 8,500 seats. The Art Commission estimates that approximately \$600,000 from ticket sales for nine concerts would be generated, for a total estimated revenues of \$1,200,000. The estimated net profits generated through the POPS Summer Concert series of \$218,267 (estimated revenues of \$1,200,000 less estimated costs of \$981,733) would be used for other Art Commission programs, such as the Community Arts & Education Program, Civic Collections and the Art Commission Gallery.

2. The Art Commission reports that the application deadline for the proposed grant was February 18, 1992. Therefore, the Art Commission is requesting authorization to apply for the proposed grant retroactively.

3. As noted above, the Art Commission is requesting that indirect costs be waived from the proposed grant. Ms. Joanne Chow Winship of the Art Commission reports that the Art Commission did not include any indirect costs in the proposed grant because the proposed grant funds would be awarded to the non-profit organization, Chamberworks, the proposed grant funds would not be used to fund any City employees and the proposed grant funds would not have to be administered by any City employees. The Board of Supervisors approved \$60,000 in funding from the Burlington Resources Foundation for the 1991 POPS Summer Concert series (File 132-91-6) and waived the indirect costs as a separate policy matter. Given that the Board of Supervisors has previously established its policy by waiving indirect costs on the same prior year grant award (File 132-91-6), and given that the grant funds would not be used to fund any City employees and the proposed grant would not have to be administered by any City employees, the Budget Analyst recommends approving the proposed grant without indirect costs.

4. The Art Commission has completed a Disability Access Checklist which is in the file.

5. Attached is the "Summary of Grant Request Form."

Memo to Finance Committee  
March 18, 1992

**Recommendation:** Approve the proposed resolution.

Item No. \_\_\_\_\_ - Summary of Grant Request Rev. 4.

Grantor Burlington Resources Foundation Division Arts Commission

Contact Person Donald North Section \_\_\_\_\_

Address 999 Third Avenue Contact Person JoAnne Chow Winship

Seattle, Washington 98104 Telephone 554-9671

Amount Requested \$60,000 Application Deadline February 18, 1992

Term: From July 15, 1992 To August 1, 1992 Notification Expected \_\_\_\_\_

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to grant in the amount of \$ 60,000 from the period of 7/15/92 to 8/1/92 to provide Pops Summer Concert Series. serv

(Circle appropriate words)

II. Summary: (Concise history; need addressed; number + groups served; services and providers)

To provide low-cost ticket prices at the 1992 Pops Summer Concert Series.

and to ensure added revenues to benefit Arts Commission community arts programs.

### III. Outcomes/Objectives:

Produce a concert series with the San Francisco Symphony as mandated by the Charter.

### IV. Effects of Reduction or Termination of These Funds:

Reduced resources available for marketing sales and public relations support.

### V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount	_____	<u>\$60,000</u>	<u>\$60,000</u>	_____	_____	_____
Personnel	_____	_____	_____	_____	_____	_____
Equipment	_____	_____	_____	_____	_____	_____
*Contract Svc.	_____	_____	_____	_____	_____	_____
Mat. & Supp.	_____	_____	_____	_____	_____	_____
Facilities/Space	_____	_____	_____	_____	_____	_____
Other	_____	<u>\$60,000</u>	<u>\$60,000</u>	_____	_____	_____
Indirect Costs	_____	<u>0</u>	<u>0</u>	_____	_____	_____

### VI. Data Processing

(Data included above)

### VII. Personnel

F/T CSC	_____	_____	_____	_____
P/T CSC	_____	_____	_____	_____
Contractual	_____	_____	_____	_____

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (Check one or both Request for Exemption For

Item 1d - File 147-92-2

**Department:** Public Library

**Item:** Resolution authorizing the City Librarian to apply for funds available through the California State Library from Title II of the Library Services and Construction Act for public library construction, which includes indirect costs in the amount of \$43,997 or five percent of the total.

**Grant Amount:** Not to exceed \$879,935

**Source of Funds:** California State Library

**Grant Period:** January, 1993 to April, 1995

**Project Description:** Ms. Kathy Page of the Public Library reports that the proposed State grant funds would be used as a match to expand the scope of renovation work for the Mission Branch Library. The Public Library has currently identified \$750,000 in 1988 Library Improvement Bond funds, \$100,000 in Earthquake Safety Bond Program Phase II funds and \$29,935 in General Fund monies (included in the 1991-92 budget) for a total of \$879,935 for renovation to the Mission Branch Library as follows:

Construction

Construction	\$609,000
Construction Management	68,500
Permit Fees	2,500
Soil Tests	2,500
Asbestos Abatement	7,000
Contingency	<u>42,500</u>
Subtotal	\$732,000
Design/Engineering Services	108,000
Computer Equipment	29,935
Art Enrichment	<u>10,000</u>
Total	\$879,935

Ms. Page advises that the \$879,935 currently designated for the Mission Branch Library will pay for seismic upgrading, electrical work, handicapped accessibility (restrooms, elevator, doors) and asbestos abatement. According to Ms. Page, the proposed matching grant, which would bring the total amount available for renovation to \$1,759,870, would be used to expand the scope of renovation work to include (1) expansion of the building to the property line to provide a 25 percent increase to the public area of the Mission Branch



and to improve the quality of staff work spaces, (2) creation of a single level on the first floor to provide an additional enhancement to handicapped accessibility, (3) expansion of the Children's Department to provide for a reading room area and a separate area for special activities and (4) creation of an area for tutoring and public access to microcomputer use.

**Required Match:** \$879,935 (sources identified in Project Description)

**Indirect Costs:** \$43,997 or five percent of the total grant.

**Comments:**

1. As noted above, the Library is proposing an expansion of space at the Mission Branch which would effect staff work spaces. Ms. Page advises that although the Library's 1992-93 budget request includes reductions in staffing at various Branch libraries throughout the City, the Library's 1992-93 budget request does not include any reductions in the number of staff assigned to the Mission Branch, which is a major resource Branch. As such, the need for the expanded staff work spaces would remain the same.

2. Ms. Page reports that a more detailed budget for the proposed matching grant will be provided at the time the Library submits its request to the Board of Supervisors for authorization to accept and expend the proposed grant.

3. A Disability Access Checklist has been prepared by the Library and is included in the file.

**Recommendation:** Approve the proposed resolution.

Items 1e and 1f - Files 23-92-1 and 23-92-2

**Items:** Resolution waiving the statute of limitations with respect to payment of one City and County of San Francisco warrant in the sum of \$114.40, a legal obligation of the City and County of San Francisco (File 23-92-1).

Resolution waiving the statute of limitations with respect to payment of one City and County of San Francisco warrant in the sum of \$405.36, a legal obligation of the City and County of San Francisco (File 23-92-2).

**Description:** According to Section 10.181 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present such warrants to the Controller for payment up to three years from the date that it was considered invalid, or four years from the original issue date. After that point, the Controller may no longer pay such warrants because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolutions would waive the statute of limitations and would authorize the Controller's Office to replace the following warrants:

<u>Name</u>	<u>Issued</u>	<u>Warrant No.</u>	<u>Amount</u>
Mr. Theodore C. Peck	5/4/87	550227	\$114.40
Mr. Christopher Collins	10/16/84	515 4622812	\$405.36

**Comments:** 1. Mr. Peck's warrant was issued five years ago and Mr. Collin's warrant was issued eight years ago. Both Mr. Peck and Mr. Collins report that they misplaced and never cashed the warrant, and have now requested that their respective warrants be reissued.

2. The Controller's Office automatically cancelled these warrants, which had not been cashed one year after the original issue date. The Controller's Office reports no payments has been made on these warrants.

3. According to Mr. Henry Leigh of the Controller's Office, the City has sufficient funds to pay the \$405.36 to Mr. Collins and the \$114.40 to Mr. Peck or a total of \$519.76 for these two warrants. Mr. Leigh reports that when a warrant is automatically cancelled, the funds are placed in a special account for the replacement of the warrant upon request.

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March 18, 1992

4. The proposed resolutions provide that payment of the warrants represents a legal obligation of the City and County of San Francisco. However, according to Mr. Ted Lakey of the City Attorney's Office, a legal obligation is not necessarily a mandated obligation.

**Recommendation:** Approve the proposed resolutions.

Item 2 - File 118-92-1

1. This item is a hearing to consider the problem of litter on City streets and to examine ways of reducing litter.

2. Mr. John Roumbanis of the Department of Public Works (DPW), Bureau of Street Cleaning and Urban Forestry reports that a number of factors contribute to the problem of litter on the City streets including: (1) decreased funding for the Bureau which has reduced the City's street cleaning services from seven days a week to five days a week (Monday to Friday); (2) the homeless problem; (3) outmoded litter abatement laws and inadequate penalty structures; (4) the drought which has resulted in decreased use of street flushing machines (used for curbside cleaning) and problems keeping equipment properly cleaned; (5) the deterioration in public habits with respect to maintaining clean streets; and (6) curbside recycling. According to Mr. Roumbanis recycled items which are not packaged properly can, and frequently do, end up on the streets.

3. Ms. Shelley Reider of the Chief Administrative Officer's Solid Waste Management Program reports that the Program is conducting an on-going media campaign to (1) inform the public regarding the litter problem in connection with curbside recycling and (2) provide information to the public on the proper methods to package recycled items that are placed at the curbside.

4. Mr. Roumbanis advises that one effective approach to addressing the City's litter problem would include (1) a Citywide review of applicable litter abatement legislation aimed at updating and strengthening such legislation in order to meet the City's current needs and (2) surveying other local jurisdictions to determine if there are any effective litter abatement programs in place which might serve as a model for the City.

5. The DPW previously submitted a report, dated January 14, 1992, to the Board of Supervisors which provided a programmatic and fiscal overview of the City's street cleaning operation during the past ten years and included a number of recommendations involving potential fiscal impact. The report documented a consistent trend of a declining workforce and budget shortfalls during a time when the City's cleaning needs increased. A summary of the major information contained in this report, is as follows:

- (1) The total number of individuals engaged in the DPW's street cleaning operation declined by 66 positions (290 less 224) between FY 1985-86 and FY 1991-92 (Attachment 1). Individuals involved in street cleaning include full-time employees, part-time employees, General Assistance (GA) recipients (GA workfare participants) and Sheriff's Work Alternative Program (SWAP) participants. DPW reports that the number of GA participants involved in the street cleaning operation has decreased due to reductions in General Fund monies used by DPW to provide supervision, tools and transportation for the participants.





- (2) Litter and debris removed by DPW's street cleaning crews increased over the last ten-year period from 14,000 tons in 1981-82 to 21,000 tons in 1989-90, an increase of 50 percent, then fluctuated to 18,000 tons in 1990-91. Additionally, in 1990-91, 42,300 total tons of materials, up from 25.5 million in 1981-82, were removed from the City streets by all resources, which is the largest amount removed in a single year (Attachment 2).
- (3) The amount budgeted for the DPW's street cleaning operation was an average of 7 percent less than the amount needed, based on inflationary factors, to adequately fund the operation from FY 1981-82 to FY 1987-88. By 1991-92 the amount budgeted was 26 percent less than the amount needed (Attachment 3).
- (4) The report concluded with a number of recommendations aimed at providing for a cleaner City. DPW estimated that implementation of six of the eight proposed recommendations would require \$5.7 million. The remaining two recommendations would involve increasing street cleaning parking fines from \$15 to \$20 and increasing illegal dumping fines from \$52 to \$500 (Attachment 4). DPW provided an estimate of up to \$3 million in revenues that could be generated from the increase in the street cleaning parking fines. No estimate was provided for the increase in illegal dumping fines.

6. San Francisco Beautiful, a non-profit corporation, through its Beautification and Urban Design Plan (BUD) has initiated a coordinated effort with the Hyatt Hotels San Francisco and the DPW to establish a litter cleanup program in the City. This program which began in 1990, sends teams of 20 Hyatt Hotel volunteers, under the direction of the DPW, to various locations in the City to pick up trash on the streets. The program is scheduled to begin a new cycle March 18, 1992. The volunteers would provide clean-up services every first and third Wednesday from 8:00 a.m. to 3:30 p.m., which will run through June of 1992.

7. The San Francisco Clean City Coalition is a non-profit umbrella organization made up of volunteers from neighborhood and merchant associations, local government, non-profits, small businesses, major corporations and individuals. Ms. Terry Ingram of the Clean City Coalition, reports that the Coalition is currently involved in the following activities: (1) sponsoring litter clean-ups throughout the City with the assistance of DPW, (2) providing litter abatement and recycling information to school children (K-8th grade), (3) reviewing litter abatement legislation to determine what modifications are needed, in order for the legislation to address the City's current litter problems, (4) planning events for the "One Neat City Week" which will commence April 18, 1992 and (5) establishing an "Adopt-A-Litter Spot" program which would encourage community and business groups to adopt a specific geographic area within the City and implement a litter abatement program within that area.



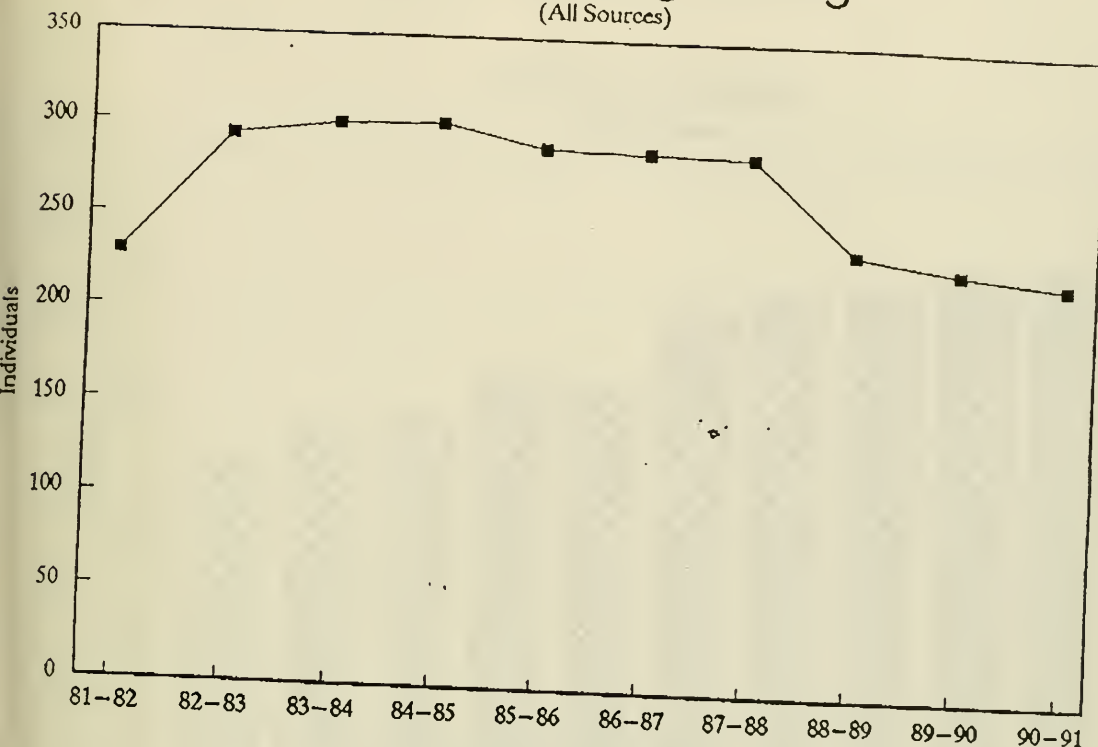
Memo to Finance Committee  
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8. As of the writing of this report, the DPW was unable to provide the specific amount requested in their 1992-93 budget for the Department's street cleaning operation or the overall specific increased amount of positions and funds that would be required to adequately finance this operation to bring about cleaner streets.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



# Street Cleaning Staffing (All Sources)



■ Total Street Cleaning Staffing

	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90	90-91	91-92
JPV.	199	206	194	195	178	177	177	171	163	164	164
	0	74	89	89	89	89	89	62	60	52	52
..	0	14	18	18	18	18	18	5	4	4	4
	0	0	0	0	5	5	4	0	2	4	4
	30	0	0	0	0	0	0	0	0	0	0
t Cleaning Staff	229	294	301	302	290	289	288	238	229	224	224

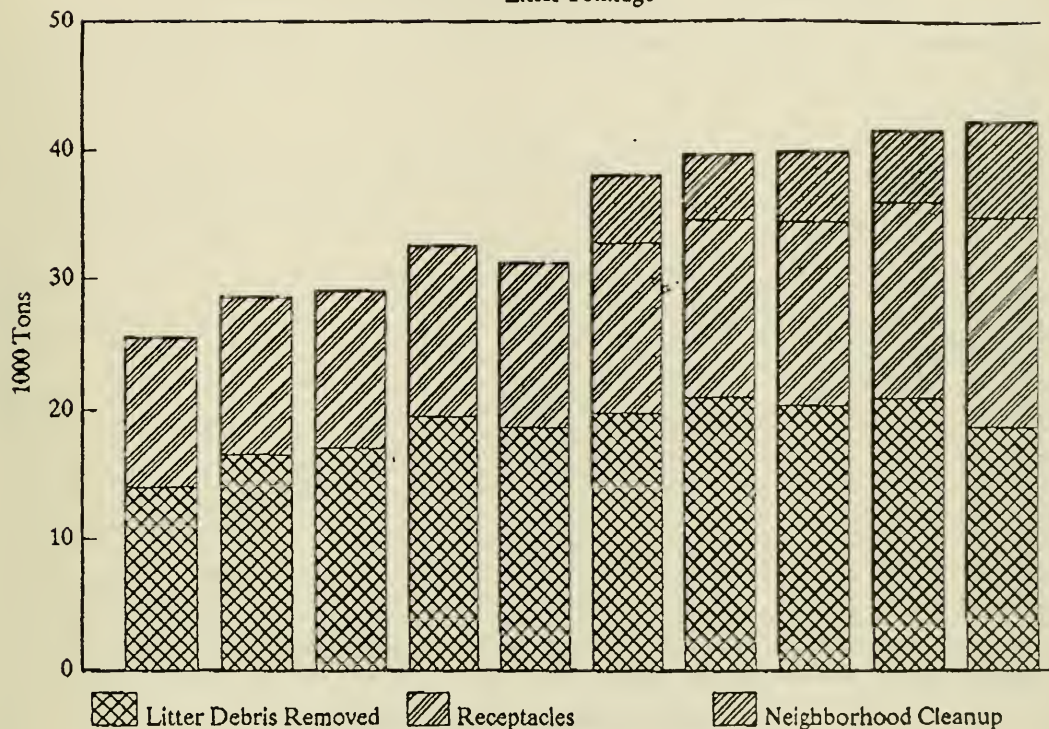
days/wk 82/83 through 87/88; 6 days/wk 88/89 through 91/92, 6hr days  
5 days/wk, 6 hr days





# Street Cleaning

Litter Tonnage



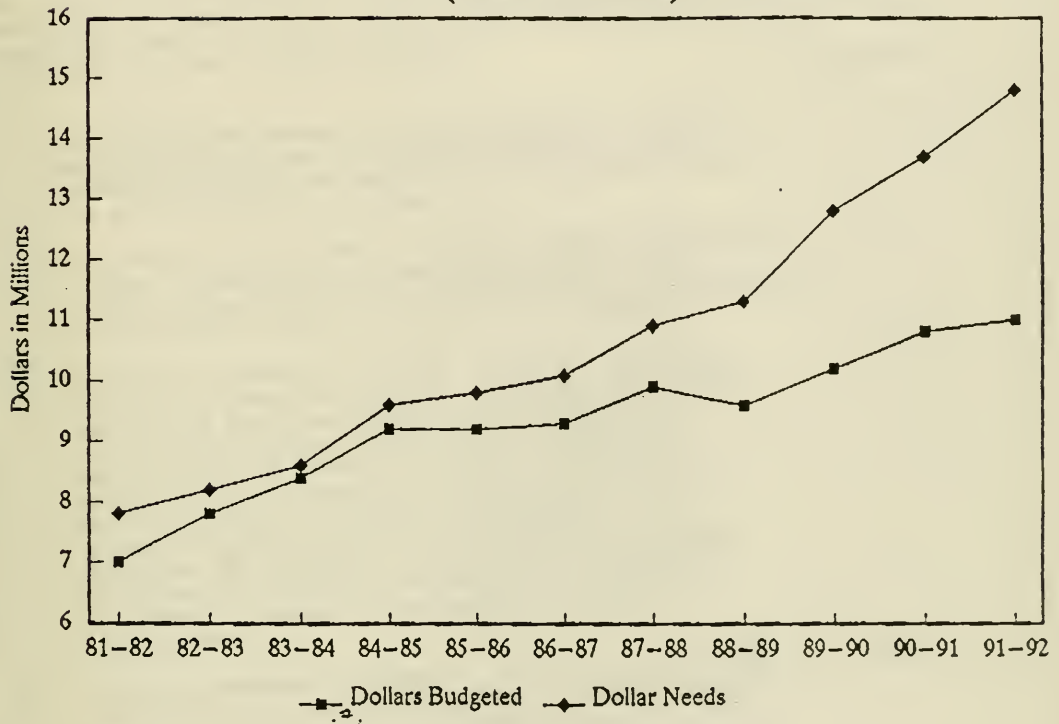
Bureau of Street Cleaning  
(TONS X 1000)

	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90	90-91
BSC Program Debris Removed	14.00	16.62	17.14	19.58	18.77	19.83	21.09	20.43	21.01	18.80
Receptacles emptied (Estimate)	11.50	12.00	12.00	13.00	12.50	13.00	13.50	14.00	15.00	16.00
Neighborhood Cleanup	0.00	0.00	0.00	0.00	0.00	5.20	5.10	5.50	5.60	7.50
<b>Total Tonnage Removed</b>	<b>25.5</b>	<b>28.62</b>	<b>29.14</b>	<b>32.58</b>	<b>31.27</b>	<b>38.03</b>	<b>39.69</b>	<b>39.93</b>	<b>41.61</b>	<b>42.3</b>



## Street Cleaning '81 - 91 Funding

(Current Year Dollars)



	DOLLARS IN MILLIONS										
eed Adjusted '81 Instant Dollars	81-82	82-83	83-84	84-85	85-86	85-87	87-88	88-89	89-90	90-91	91-92
	7.80	8.20	8.60	9.60	9.80	10.10	10.90	11.30	12.80	13.70	14.80
udgeted Instant Dollars	7.00	7.80	8.40	9.20	9.20	9.30	9.90	9.60	10.20	10.80	11.00
Total Shortfall	0.80	0.40	0.20	0.40	0.60	0.80	1.00	1.70	2.60	2.90	3.80
Labor	0.60	0.20	0.10	0.30	0.40	0.40	0.50	1.10	1.80	2.00	3.00
Non-Labor	0.20	0.20	0.10	0.10	0.30	0.40	0.50	0.60	0.80	0.90	0.80
Total Shortfall	0.80	0.40	0.20	0.40	0.70	0.80	1.00	1.70	2.60	2.90	3.80
Percentage Difference Adjusted/ Budgeted Dollars	11%	5%	3%	4%	6%	8%	10%	15%	20%	21%	26%





## Recommendations:

To maintain the streets at previous levels of cleanliness it is necessary to restore some previously reduced service areas and implement new or increase the frequency of existing services. The following are our recommendations:

\$ Million

- |  |      |
|--|------|
| 1. Establish increased outreach services - restore Environmental Control Officer program to 1985 staffing levels and expand Broom Brigade to keep up with growth of program.   | .6   |
| 2. Increase in the special service areas - additional litter receptacles, street/curb weed control, orphan island cleaning and maintenance, and purchase of an aerial truck for illegal sign removal.  | .6   |
| 3. Restore or expand services - restore service levels for sanitary street flushing, mechanical tow-a-way zone sweeping, holiday (Monday) controlled parking mechanical sweeping; and expand service areas to include weekend and holiday plaza cleaning at United Nations and Hallidie Plazas. Increase frequencies for mechanical sweeping in impacted areas of the downtown and financial districts, and expanded of mechanical controlled parking sweeping in residential areas not currently included in the program. | .8   |
| 4. Cleaning service upgrades - restore packer truck crews, center island and public stairway cleaning services, and 10 manual cleaning block route assignments. Expand sidewalk steam cleaning and increase the "ICU" program to full (year-round) operations.   | 2.5  |
| 5. Restore the Workfare Program to 1987 service level.   | 1.8  |
| 6. Service overlaps would exist in recommendation #5 with workfare operations restored to the 1987 service level.  | <.6> |

Total 5.7

An estimated 5.7 million dollars are needed to accomplish the recommended street cleaning service adjustments cited above.



Other recommended changes that would improve the street cleaning capability while increasing revenue potential are the following:

1. Increase street cleaning parking fines from \$15 to \$20. San Francisco is the only major city in the Bay Area with a street cleaning parking fine less than \$20. This would not only help to decrease illegal parking and allow for better cleaning of streets, but could generate up to \$3 million in additional revenue.
2. Increase the fines for illegal dumping from \$52 to \$500. This would be a big deterrent for people to illegally dump and would make enforcement more meaningful. Although the amount of revenue generated by this change might not be significant, it would also make enforcement much more cost effective.



Item 3 - File 101-91-56

**Department:** Juvenile Probation Department

**Item:** Supplemental Appropriation Ordinance appropriating \$450,000 for training and various capital improvement projects.

**Amount:** \$450,000

**Source of Funds:** General Fund - General Reserve

**Description:** The Juvenile Probation Department is currently a defendant in a lawsuit by the Youth Law Center alleging that the conditions of confinement in the Juvenile Hall do not adhere to constitutional standards. Specifically, the lawsuit cites infrastructure deficiencies involving the facility's fire, life and safety systems. Matching funds are available to the City for infrastructure repair on facilities occupied by youth offenders through the California Youth Authority County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988 (Proposition 86). The proposed supplemental appropriation includes \$333,392 for repairs to the Juvenile Hall portion of the Youth Guidance Center building, located at 375 Woodside Avenue in San Francisco. The \$333,392 would leverage \$1,351,637 in State Proposition 86 bond funds. (See Comment 3.)

The lawsuit also contends that understaffing and inadequate staff training have led to inappropriate disciplinary actions, minimal and ineffective positive lifestyle programs for detainees, and the unlawful and unnecessary use of force by staff. The proposed supplemental appropriation includes funds for training Juvenile Hall employees to curtail such inappropriate actions.

In addition to the Juvenile Hall portion of the Youth Guidance Center building, the Fire Department and other regulatory agencies have cited the Administration portion of the Youth Guidance Center for a variety of fire code and other life and safety violations.

In an effort to address the problems enumerated in the lawsuit and to bring the Administration Building into conformity with current fire and safety codes, the Juvenile Probation Department is requesting funds as follows:





Training

American Correctional Association	
Training and Accreditation	\$24,000
Printing Training Manuals	1,500
Printing Policies Manual	1,900
Video Orientation for Juveniles	5,000
Paid Work for Juveniles (see Comment 7)	15,000
Purchase of Games and Activities	
for Juveniles	14,130
Staff Training: Cottage Programming	
(80 to 100 employees)	3,000
Training in Managing Language	
and Diversity (50 to 75 employees)	3,220
Management/Supervision Techniques	
(15 to 20 employees)	6,000
Juvenile Care Workers Professional	
Behavior (67 to 100 employees)	6,000
Train the Trainer (15 to 25 employees)	<u>9,000</u>
 Total Training	 \$ 88,750
 <u>Installation of Fire Warnings</u> (horns and strobes)	
Administration Building	27,858
 <u>Youth Guidance Center Repairs</u>	 <u>333,392</u>
 Total Supplemental Appropriation	 \$450,000

**Comments:**

1. The Mayor approved, and the Controller certified, a maximum of \$450,000 for this supplemental appropriation. Mr. Arnie Sowell of the Mayor's Office reports that the \$333,392 to leverage State Proposition 86 matching bond funds and the \$88,750 for training were deemed of first importance, and the balance of the \$450,000, or \$27,858, was allocated to fire and safety repairs for the Administration Building. According to Ms. Pat Grice of the Juvenile Probation Department, the Department would need a total of approximately \$213,350 to install, upgrade and maintain fire safety equipment and alarm systems at the Administration Building for the Youth Guidance Center. Although a total of \$213,350 would be needed to complete the necessary repairs, the DPW advises that the process of bringing the facility up to code could be started by installing horns and strobe lights in four public bathrooms for \$27,858.



2. Ms. Grice reports that no portion of the State Proposition 86 bond funds or the City's \$333,392 to leverage such Proposition 86 bond funds may be used for facilities that are not occupied by youth offenders, such as the Administration Building. Therefore, the entire amount needed to bring the facility in line with existing fire and safety codes, or \$213,350, must be provided from the General Fund. The Juvenile Probation Department will attempt to include the balance of \$185,492, or \$213,350 less \$27,858 for these repairs in its 1992-93 budget.

3. Mr. Gerry Costanzo of the DPW advises that, under Proposition 86, certain projects are eligible for reimbursement from the State, even if funds have already been appropriated and the project is in process or has already been completed. Thus, the DPW applied for a grant for reimbursement for a number of such projects (File 141-90-1), and was granted the \$1,351,637 noted above, contingent upon the City applying the grant funds to several new projects. Mr. Costanzo reports that in order to complete these new projects, an additional \$333,392, the amount of the supplemental appropriation request for funds for Youth Guidance Center repairs, would be needed. According to Mr. Costanzo, the State will reimburse the City for projects that have had funds appropriated from other sources, and are completed or in process, as follows:

Reimbursements for Completed Projects

Maintenance and Repair Projects	\$186,827
Lock Repair	8,273
Replace Kitchen Hood	5,026
Security Screens	21,080
Modify 10 rooms	30,988
Replace windows at cottages	18,718
Replace light fixtures, cottages	71,684
*Painting	112,234
*Roofing	392,723
*Emergency Asbestos Work	<u>169,001</u>
Total Reimbursements	\$1,016,554

\*Projects still in process.

Mr. Costanzo advises that these projects were largely work ordered to the DPW with General Fund monies. According to Mr. Costanzo, the City would be eligible for reimbursements only if it completed the following new projects:





Approved Projects

Diesel Fuel Tanks Installation	\$60,403
Juvenile Hall Fire Alarms	609,540
Installation of Fire Doors in Corridors	331,820
Cottage Security Windows	251,856
Cottage Bathroom Repair	<u>96,327</u>

Total Youth Guidance Center Costs	<u>\$1,349,946</u>
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Costs less reimbursements	\$333,392
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According to Mr. Costanzo, the City has already billed the State for \$962,984 for the projects completed or in progress. As noted above, three projects have some work outstanding. The outstanding amount approved for reimbursement on these unfinished projects totals \$53,570 (\$1,016,554 total eligible reimbursements less \$962,984 billed to the State); Mr. Costanzo reports that the DPW will bill the State for the cost of completing the projects, up to \$53,570.

A proposed resolution to authorize the Juvenile Probation Department to accept and expend \$1,970,838, which is the amount of the original grant request to the State, Mr. Costanzo advises, is anticipated to be heard by the Finance Committee in the near future. The reason that amount is higher than the amount that the State has allocated (\$1,351,637, noted on the previous page) is because if other municipalities do not expend their entire allocation, the State may increase the City's grant. Mr. Costanzo advises that if the Department does not receive authorization to accept and expend the Proposition 86 State bond funds, the DPW will be unable to complete the new projects. Therefore, \$333,392 should be reserved pending passage of a resolution to accept and expend State Proposition 86 funds, and, in order to expedite the release of reserve, the release of reserve should be heard by the Finance Committee the same day as the resolution to accept and expend the proposed grant is heard.

4. Ms. Grice advises that the Youth Law Center, in its suit against the Juvenile Hall, has indicated that additional staff training would be necessary to solve the problem of the use of too much isolated room time, lack of programming, and failure to deal effectively with the issues raised by the youth offenders. For example, Ms. Loretta Giorgi of the City Attorney's Office advises that the lawsuit contends that staff are not skilled in crisis diffusion, so that rather than diffusing crises, children are often confined to their rooms. Ms. Giorgi further advises that the lawsuit contends that



such excessive confinement leads to an argument that the punishment for youth offenders is cruel and unusual. According to Ms. Giorgi, crisis diffusion can only be taught through staff training.

5. According to Ms. Giorgi, if the City has completed and begun construction on fire code violations, has replaced glass windows with safety glass and replaced plumbing fixtures in one of the cottages, as well as begun significant training efforts, it would resolve those issues as they relate to the lawsuit and to California Youth Authority concerns. The case is currently scheduled for trial in October 1992. If the Court finds in favor of the plaintiff, the Court could require the City to conduct the same training and repairs at that time.

6. Ms. Grice reports that the pending lawsuit specifically cites inappropriate behavior on the part of Juvenile Hall counselors. The decision to implement staff training, Ms. Giorgi advises, is based on the recommendations of the Youth Guidance Center administration, and reviews conducted by the Department of Justice and the American Correctional Association. Ms. Giorgi further advises that the Juvenile Probation Department has implemented other types of reform in an attempt to ameliorate the problem, including revising the policies and procedures manual, disciplining and keeping records regarding staff who behave inappropriately, implementing pre-hire psychological evaluations for potential counselors, and revising Civil Service requirements. Ms. Giorgi reports that the Juvenile Probation Department rarely works with the Police Academy regarding management of assaultive behavior because children have special protections which do not apply to adults, and therefore the Juvenile Probation Department may not use most of the techniques used by the Police Academy.

7. According to Mr. Don Mead of Juvenile Probation, the Paid Work for Juveniles, included in the proposed budget at \$15,000, includes a stipend for juveniles performing custodial work, such as kitchen clean-up, laundry, or cleaning the halls and the gym, beyond their regular responsibilities for their own areas. According to Mr. Mead, the Juvenile Hall does not hire any custodians, but awards juveniles a small stipend for such meritorious behavior as custodial work.

8. Ms. Giorgi advises that in addition to the Youth Law Center, the United States Department of Justice has raised issues concerning the safety of the Juvenile Hall facility and the behavior of Juvenile Hall staff. According to Ms. Giorgi,



the Department of Justice may bring litigation against the Juvenile Probation Department in the future.

9. Ms. Giorgi advises that the California Youth Authority has stated that if fire and safety construction is not completed before the City applies for recertification this year, the State Youth Authority may not certify the Juvenile Hall. The Fire Department also stated that if such repairs are not completed, the Fire Department may not certify the Juvenile Hall. The California Youth Authority and the Fire Department require certification in order to operate a facility such as the Juvenile Hall.

- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance to reserve \$333,392 pending approval of an ordinance to accept and expend the approximately \$1.9 million in State Proposition 86 bond funds. In order to expedite the release of reserve, the release of reserve should be heard by the Finance Committee the same day as the resolution to accept and expend the proposed grant is heard.
  2. Approval of the proposed supplemental appropriation ordinance, as amended, which would appropriate \$450,000 from the General Fund, is a policy matter for the Board of Supervisors. The City Attorney has recommended approval of this request.





Item 4 - File 82-92-3

- Departments:** Water Department  
Real Estate Department
- Item:** Ordinance authorizing the sale of a non-exclusive access easement over the Water Department's Bay Division Pipeline right-of-way in San Mateo County for the benefit of the adjoining landlocked property.
- Location:** The easement is located between Edison Way and the adjoining landlocked property in an unincorporated area of San Mateo County near Redwood City.
- Purpose:** The Real Estate Department reports that the purpose of this easement is to permit limited pedestrian and vehicular access to and from an adjoining private property that is landlocked and can only be accessed by crossing over the Water Department's Bay Division Pipeline right-of-way. According to the Real Estate Department, the sale of the non-exclusive easement to the adjoining property owner would settle a property rights dispute between the owner and the Water Department. The Real Estate Department advises that the sale of this easement would not in any way interfere with the repair or maintenance to existing pipeline facilities or the installation of new pipelines within the easement area.
- Size of Easement:** 3,197 Square Feet
- Easement Rights  
Purchase Price:** \$75,000
- Comments:**
1. The Real Estate Department reports that the sale of the non-exclusive easement is consistent with the eight priority policies of Section 101.1 of the City Planning Code. The Department notes that the sale of this easement is not subject to the City's Master Plan.
  2. The Real Estate Department has determined that the \$75,000 purchase price of the non-exclusive easement represents a fair and reasonable value for the easement rights being conveyed.
- Recommendation:** Approve the proposed ordinance.



Item 5 - File 64-92-5

**Department:** Department of Public Health (DPH)  
Child Health and Disability Prevention Program (CHDP)  
California Children's Services Program (CCS)  
Real Estate

**Item:** Resolution authorizing a new lease of real property for the  
Child Health and Disability Prevention Program of the  
Department of Public Health.

**Location:** 680 Eighth Street

**Purpose of Lease:** Office space for the CHDP and the CCS

**Lessor:** SOBEL Building Development Partners

**No. of Sq. Ft. and  
Cost per Month:** 4,500 square feet at \$1.20 per square foot per month equals  
\$5,400.

**Annual Cost:** \$64,800

**% Increase  
Over Existing  
Lease:** Approximately 103 percent or \$32,914 greater than the  
annual cost of the existing lease of approximately \$31,886.

**Utilities and Janitor  
Services Provided by  
Lessor:** Yes

**Term of Lease:** April 1, 1992 through March 31, 1997 (Five years)

**Right of Renewal:** Yes. Five year Option to renew at the end of the proposed  
lease term of March 31, 1997.

**Source of Funds:** General Fund, approximately 50 percent to be reimbursed  
through State grant funds (See Comment #2). Three months  
included in FY 1991-92 budget and 12 months are to be  
included in the FY 1992-93 budget (July 1, 1992 through June  
30, 1993).

**Description:** The proposed lease would be used for office space for the  
Child Health and Disability Prevention Program (CHDP) and  
the California Children's Services Program (CCS). Both of  
these programs are State-mandated programs within the  
DPH. The CHDP provides preventative health care for Medi-  
Cal eligible children (0-21 years) and for non-eligible children  
at or below 200 percent of the Federal poverty level from birth





through 18 years of age. The CCS program provides medical care and rehabilitation for Californians under age 21 with eligible handicapping conditions whose families are unable to pay for their treatment.

**Comments:**

1. The program staff currently consists of 30 individuals. The staff currently occupies approximately 2,034 square feet of exclusive area on the second floor of 240 Shotwell Street and an additional 521 square feet of non-exclusive area in the lobby. Under the existing lease, the staff has approximately 68 square feet of exclusive area per individual. Under the proposed lease, which would be for 4,500 square feet, each individual staff person would have 150 square feet of exclusive area. Ms. Claudine Venegas of the Real Estate Department reports that the Real Estate Department recommends for City office space leases a minimum of approximately 150 square feet of exclusive area per person. Therefore, Ms. Venegas also reports that the proposed increase in space would only provide the CHDP and the CCS with the minimum space, as recommended by the Real Estate Department, and the current lease is not providing the CHDP and the CCS with sufficient office space.

2. As noted above, the source of funds for the proposed lease would be the General Fund. Ms. Mildred Crear of the DPH reports that the CHDP and the CCS program is funded with 50 percent State funds. Therefore, Ms. Crear indicates that although the source of funds is the General Fund (including \$16,200 for April 1, 1992 through June 30, 1992 in FY 1991-92), the DPH would reimburse approximately 50 percent, or \$8,100 of the proposed lease costs with State funds. Ms. Linda DeBoi reports that the DPH has not yet received these State funds. However, the DPH anticipates receiving these State funds by April 1, 1992. Funds requested for the proposed lease in subsequent fiscal years would be subject to annual appropriation decisions. It is anticipated that the State will reimburse the City at this 50 percent rate in FY 1992-93.

3. The Real Estate Department reports that the \$1.20 price per square foot per month for the proposed lease represents the fair market value for the property.

4. As noted above, the proposed annual lease cost of \$64,800 would be an annual cost increase of approximately 103 percent over the annual existing lease price of \$31,886. In addition, the DPH is requesting 1,945 in additional square feet (4,500 square feet under the proposed lease versus 2,555 under the existing lease) representing a 76 percent increase in space. Therefore, approval of the proposed resolution is a policy matter for the Board of Supervisors.



Memo to Finance Committee  
March 18 , 1992

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 6 - File 52-92-2

**Note:** This item was transferred from the City Services Committee meeting of March 3, 1992 as it was determined to have a fiscal impact.

1. The proposed ordinance would create an underground district on Eighth Avenue in the Sunset District.

2. The Department of Public Works (DPW) reports that City's 8th Avenue slope stabilization project removed all utility poles from the rear yards of the residences on the east side of 8th Avenue in order to accommodate a retaining wall brought about by the Loma Prieta earthquake of October, 1989. These electrical and other utility wires were relocated overhead. The proposed ordinance would establish an underground district for the purpose of eliminating overhead electrical and other utility poles, structures or wires. The proposed underground district would be located in the Sunset District in the area bounded by Moraga Street, 7th Avenue, Laguna Honda Boulevard, Ortega Street and 8th Avenue. The proposed ordinance would find that the undergrounding of electrical and other utility poles, structures or wires within this area is in the general public interest by eliminating a heavy concentration of overhead wires in a scenic area. The DPW concurs that such undergrounding would be in the general public interest and recommends approval of this ordinance to create the proposed underground district.

3. Mr. Hin Lok Kung of the Department of Public Works (DPW) reports that pursuant to a State Public Utilities Commission (PUC) agreement between the State PUC and the City, the proposed ordinance, if enacted, would require the Pacific Bell and Pacific Gas & Electric companies to pay for the costs to take down and remove all utility poles, structures or wires from these public streets, or from building to building and place its service conductors in underground conduits. Mr. Kung indicates that also pursuant to the State PUC agreement, Pacific Bell and Pacific Gas & Electric (PG&E) provide annual funding to the State PUC for undergrounding purposes. Therefore, this State PUC funding, derived from Pacific Bell and PG&E, would be used for the undergrounding of Pacific Bell and PG&E utility lines, poles and structures. However, Mr. Kung reports that pursuant to the State PUC agreement, because the street lighting is a City facility, the City would be required to pay for the costs associated with the relocation of existing street lighting. Mr. Kung estimates that the relocation of the street lighting would cost approximately \$40,000, and would be funded with Street Lighting Bond funds.

4. Mr. Kung also reports that the DPW anticipates requesting reimbursement of this estimated cost of \$40,000 in bond funds from Federal Emergency Management Agency (FEMA) funds. However, the DPW has not yet received FEMA approval of reimbursements for this project. Therefore, because the project, in part, would be initially funded through Street Lighting Bond funds at an estimated cost of \$40,000, and because FEMA has not yet authorized reimbursement for the project, the proposed ordinance was determined to have a fiscal impact.





Memo to Finance Committee  
March 18, 1991

5. Mr. Kung indicates that a public petition was filed to agree with the proposed underground district. Mr. Kung reports that homeowners would have to pay for their own costs associated with hookups for undergrounding their utility services. Mr. Kung estimates that electrical contractors would charge a single family home approximately \$600 to \$1,000 to hook up their utility services underground. Mr. Kung also estimates that approximately 40 homes would be affected by the proposed underground district.

6. The DPW anticipates construction to begin in approximately June, 1992 to July, 1992. The proposed creation of an underground district is anticipated to be completed by March 31, 1993. Mr. Kung reports that the contract for relocating the street lighting will be put out to competitive bid.

7. Mr. Kung notes that the purpose of the State PUC undergrounding agreement is to provide for the undergrounding of all overhead electrical and other utility poles, structures or wires eventually Statewide.

8. On March 3, 1992, the City Services Committee recommended approval of the proposed ordinance.

#### **Recommendation**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 7 - File 101-91-53

**Note:** This item was continued by the Finance Committee at its meeting of March 11, 1992.

**Department:** Department of Public Works (DPW)  
Bureau of Engineering (BOE)  
Clean Water Program (CWP)

**Item:** Supplemental Appropriation Ordinance for capital improvement project (Wastewater Reclamation Master Plan), Public Works for fiscal year 1991-92.

**Amount:** \$1,346,000

**Source of Funds:** 1988 Sewer Revenue Bonds

**Description:** The Board of Supervisors previously approved two ordinances (Files 188-91-2 and 188-91-5) regarding the use of reclaimed water by water users in San Francisco. These ordinances (Files 188-91-2 and 188-91-5), provided for a comprehensive non-potable and reclaimed water use program to reclaim and reuse treated wastewater to assist in meeting future water requirements of the City. This ordinance (File 188-91-5) also directed the completion of the Wastewater Reclamation Master Plan by November, 1994. The proposed supplemental appropriation request would be used to fund the development of the Wastewater Reclamation Master Plan.

The DPW's CWP reports that the Master Plan process includes the development and completion of a Master plan which would involve the following tasks: pilot studies to determine the necessary level of treatment for future Bayside reclamation facilities, preparation of appropriate environmental review documentation, coordination of necessary State, regional and local regulatory approvals and Real Estate investigation for the securing of site reclamation facilities within the City.

The DPW's use of the proposed supplemental funds as originally requested and as now revised is outlined below:





	<u>Original Request</u>	<u>Revised Request</u>
<u>Contractual Services</u>		
James M. Montgomery Engineers, Inc.(JMM)	\$ 400,000	\$512,929
Environmental Science Associates, Inc. (ESA)	<u>200,000</u>	<u>189,956</u>
Total Contractual Services	\$ 600,000	\$702,885
<u>DPW's Bureau of Engineering</u>		
	380,152	380,152
<u>Departmental Work Orders</u>		
DPW Bureau of Water Pollution Control	110,000	110,000
DPW Bureau of Construction Management	32,000	32,000
City Attorney	33,000	33,000
City Planning - Office of Environmental Review	50,000	50,000
City Planning EIR Fees	46,848	46,848
DPW Bureau of Environmental Regulation & Management	24,000	24,000
Real Estate	<u>20,000</u>	<u>20,000</u>
Total Department Work Orders	\$ 315,848	\$315,848
<u>Equipment</u>	<u>50,000</u>	<u>53,000</u>
Total proposed Supplemental Appropriation	\$1,346,000	\$1,451,885

**Comments:**

1. As noted above, the total supplemental appropriation revised request is \$1,451,885 instead of \$1,346,000, which is \$105,885 greater than the amount included in the proposed supplemental appropriation ordinance. As noted above, the \$105,885 increase can be attributed to a \$3,000 increase for equipment, a \$112,929 increase in the JMM contract amount, which was increased to \$512,929 from \$400,000 and a decrease of \$10,044 in the ESA contract (\$3,000 equipment + \$112,929 JMM contract - \$10,044 savings from ESA contract = \$105,885). The DPW reports that the JMM contract amount increased by \$112,929 because of the following additional tasks required which were not included in the original contract amount: estimate mitigation costs for plant sites, expansion of master plan, review of pilot plant studies, evaluate standards, and evaluate condition of Laguna Honda and Mission Bay layout. The DPW has reviewed these tasks and concurs with the additional requested amount.

2. Approximately \$40 million in bond funds remain, so there are additional bond funds available for the revised request of \$1,451,885. As previously reported by the Controller's Office on a similar supplemental appropriation ordinance (File 101-91-30) funded through Sewer Revenue Bonds, given that the proposed supplemental appropriation request is for a capital



improvement project, the Board of Supervisors can increase the amount.

3. The DPW reports that the total project requirements over three years for the development and implementation of a Wastewater Reclamation Master Plan would be \$4,017,885. The breakdown of funds would be as follows:

FY 1991-92

Proposed Supplemental Appropriation	\$ 1,451,885
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FY 1992-93

DPW	862,000
San Francisco Water Department	1,008,000

FY 1993-94

DPW	528,000
San Francisco Water Department	<u>168,000</u>

Total Project Requirements	\$4,017,885
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Funds requested as part of the DPW's and Water Department's budget for FY 1992-93 and FY 1993-94 would be subject to annual appropriation approval by the Board of Supervisors.

4. The proposed contractor for the completion of the Master Plan would be James M. Montgomery Engineers, Inc. (JMM) for the wastewater reclamation project. Ms. Karen Kubick of the DPW's Bureau of Engineering reports that the Request for Proposals (RFP) for the Master Plan consultant was issued in December, 1989, and JMM received the notice to proceed from the City to begin work on the Master Plan in July, 1990. Ms. Kubick reports that to date, the Board of Supervisors has previously appropriated and the DPW has expended \$400,000 and the San Francisco Water Department has expended \$500,000 for JMM contract work for a total of \$900,000 for reclamation planning.

The average hourly rates for JMM ranges from approximately \$10 per hour for clerical staff to \$45 per hour for principals, not including overhead. Including overhead the average hourly rate is approximately \$114 per hour.

5. JMM is neither a local, MBE or WBE firm. However, approximately 27 percent or \$376,427 of JMM's total contract of \$1,412,929 (\$900,000 previously appropriated plus \$512,929 from the proposed supplemental appropriation) would be provided to MBE and WBE subcontractors.



6. Environmental Science Associates, Inc. (ESA) would complete the environmental review work for the reclamation plan. Ms. Kubick indicates that ESA was selected through a RFP process which was issued in October, 1991. ESA's hourly rates range from \$13.80 per hour for clerical staff to \$44 per hour for management staff, not including overhead. Including overhead, the average hourly rate is approximately \$68 per hour.

7. ESA is neither a local, MBE or WBE firm. However, Ms. Kubick notes that participation from MBE and/or WBE firms, would total \$76,200, or approximately 40 percent of the revised \$189,956 ESA contract amount.

8. The \$380,152 budgeted for the DPW's Bureau of Engineering would be used for approximately 5,404 hours of existing staff time, at an average hourly rate of \$70.35, for the completion of project management, contract administration, scheduling, pilot plant studies, and environmental functions. Ms. Kubick indicates that the hourly rates for project staff with overhead range from \$62 per hour for an Associate Engineer to \$95 per hour for a Project Manager III.

9. The \$110,000 budgeted for DPW's Bureau of Water Pollution Control would be used for approximately 2,000 hours of existing bond-funded staff time, at an average hourly rate of \$55, to complete the pilot plant study of a Bayside reclamation facility.

10. The \$32,000 budgeted for the DPW's Bureau of Construction Management's Public Affairs Division would be used for approximately 300 hours of existing bond-funded staff time, at an average hourly rate of \$60 per hour. Ms. Kubick reports that a lump sum of \$14,000 was also included for public information documents for project information and updates through its Citizen Advisory Committee.

11. The \$33,000 budgeted for the City Attorney's Office would be used for approximately 300 hours of existing staff time, at an average hourly rate of \$110, for assistance in drafting various regulatory approvals which may be needed from State, regional and local regulatory agencies.

12. The \$50,000 budgeted for City Planning's Office of Environmental Review would be used for environmental review assistance and for the securing of approvals from State, regional and local regulatory agencies. Mr. Don Munakata of the DPW's Bureau of Engineering reports that approximately 67 percent of an existing Planner III would be required from approximately April, 1992 through October,





1993. The annual salary for a Planner III is approximately \$50,700. Ms. Kubick explains that the difference between the services that the environmental review consultant ESA and the Planning Department is that ESA would be preparing the environmental documents, holding public meetings and evaluating any potential impacts caused by the construction or operation of the project facilities. Ms. Kubick further explains that the Planning Department would review the documents for the Master Plan and also would brief with the Planning Commission.

13. The \$46,848 budgeted for City Planning Environmental Impact Report (EIR) fees would be used for environmental review fees which would be required for the implementation of the reclamation facility. Ms. Kubick notes that this amount was based upon the projected construction estimate for the reclamation facility of \$91.3 million or approximately .05 percent of the projected construction estimate.

14. The \$24,000 budgeted for the DPW's Bureau of Environmental Regulation & Management would be used for assistance with the pilot plant study for the Bayside reclamation facility, including assisting with review of materials, sampling and providing recommendations for the Master Plan. Ms. Kubick indicates that the cost for assistance ranges from \$55 to \$100 per hour, including overhead, or on average approximately \$77.50 per hour for approximately 310 hours.

15. The \$20,000 budgeted for the Real Estate Department would be used for the Real Estate Department's assistance in property investigation and the securing of property agreements as part of determining potential site reclamation facilities within the City. Mr. Harry Quinn of the Real Estate Department reports that the \$20,000 estimate for Real Estate was based upon Real Estate staff with hourly rates of approximately \$70 to \$90 per hour including overhead, or \$80 per hour on average, which would result in a total of approximately 250 hours.

16. The revised amount of \$53,000 budgeted for equipment would be used for testing, monitoring and sampling equipment for the pilot study site treatment processing at the Bayside reclamation facility. Specifically, the funds would be used as follows:

Particulate Counter	\$35,000
UltraViolet Pilot Unit	8,000
Ozone Pilot Unit	<u>10,000</u>
	\$53,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
March 18, 1992

- Recommendations:**
1. Amend the proposed ordinance to appropriate \$1,451,885 in funds rather the \$1,346,000 as indicated on the proposed ordinance.
  2. Approve the proposed ordinance as amended.



Item 8 - File 30-92-4

**Department:** Department of Public Health (DPH)

**Item:** The proposed resolution would authorize an amendment to the AB 75 Capital Outlay Plan for the City and County of San Francisco, to delete five San Francisco General Hospital Projects and to substitute in their place six other San Francisco General Hospital Projects.

**Description:** The Board of Supervisors previously approved legislation (File 146-91-4) authorizing the DPH to adopt the AB75 Capital Outlay Plan and authorizing the DPH to expend the grant allocation of \$3,991,643 from the AB75 Capital Outlay Fund for County and private hospital and non-hospital capital outlay purposes including facility repairs, renovation, remodeling, expansion, acquisition and equipment needs. The State requires that no less than 67 percent of the Fund be allocated to hospitals and no more than 33 percent be allocated to non-hospital facilities, including outpatient clinics, mental health facilities, public health clinics and community or free clinics.

The DPH is now proposing to amend the AB75 Capital Outlay Plan to delete five San Francisco General Hospital (SFGH) projects previously approved by the Board of Supervisors and to substitute in their place six other SFGH projects. The State requires that the Board of Supervisors approves all major changes to the Plan.

The five projects to be deleted are as follows:

<u>Project</u>	<u>Cost</u>	<u>Reason for Deletion</u>
1. <u>Camera Surveillance</u>  To ensure direct or indirect visual observation of all patients in order to enhance patient safety.	\$20,000	Project did not meet State Department of Health Services licensing standards





<u>Project</u>	<u>Cost</u>	<u>Reason for Deletion</u>
2. <u>Gastroenterology Clinic Renovation</u>  Modifications to include (1) alterations to an empty storage room to create a post-procedure recuperation suite, (2) widening the hallway thoroughfare and (3) enlarging an existing rest facility to provide access to handicapped patients and staff.	\$85,000	No longer a priority
3. <u>Adult Medical Clinic Renovation</u>  To add six additional exam rooms.	150,000	To fund Tuberculosis patient rooms which are considered to be a greater priority.
4. <u>Telemetry Room Expansion and Renovation</u>  Modifications to include (1) additional space for communications equipment, (2) space for an educational resource area, including book/journal storage, (3) expanded area for computer data storage and an area for data entry and (4) space for discussion/counseling sessions for medical staff.	150,000	To fund Tuberculosis patient rooms which are considered to be a greater priority.
5. <u>Imaging Access</u>  To construct an overhead sheltered passage way, that will allow transport of gurney patients to the free-standing imaging facility without exposure to the elements.	60,000	No longer a priority
Total	\$465,000	



March 18, 1992

The DPH advises that the following six SFGH projects would be substituted for the above-noted five projects:

<u>Project</u>	<u>Cost</u>
1. <u>Tuberculosis (TB) Patient Rooms</u>	\$280,000

This project would upgrade eight patient rooms for use as TB rooms by altering the ventilation system to increase the flow of air. The SFGH advises that the increased flow of air should reduce the chances of contamination tenfold. The increased flow of air would be directed in a manner to maintain a barrier between the room and the exterior hall. The intended overall effect is to protect the medical staff from exposure and give the patient a better air quality environment.

2. <u>Psychiatric Seclusion Rooms</u>	50,000
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Currently, there are two psychiatric units with only one seclusion room. This project would create a second seclusion room. If funds are sufficient a third seclusion room would be added to another unit. The SFGH advises that the psychiatric units continue to receive citations from the Fire Marshal because patients who are restrained are left in the hallway while awaiting a seclusion room. SFGH advises that this practice places the patient, other patients and medical staff in a very vulnerable position, has a negative impact on patient care and poses risk management issues.

3. <u>Installation of Monitors</u>	25,000
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This project involves the installation of eight electrocardiograph monitors into patient rooms, which are used for direct patient care.

4. <u>Reconfigure Patient Rooms</u>	47,000
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This project would consist of (1) installation of a sliding glass door between two patient rooms to allow visual observation of patients by nursing staff and (2) opening a wall and installing brackets for patient monitors. The SFGH advises that these projects will improve direct delivery of patient care.

**BOARD OF SUPERVISORS**  
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<u>Project</u>	<u>Cost</u>
5. <u>Operating Room #4 Door</u>	\$19,000

This project consists of replacement of a narrow door to operating room #4 to allow easier entry of standard hospital beds, gurneys and equipment. SFGH advises that this project will provide safer passage for patients entering this operating room.

6. <u>4C Clinic Relocation</u>	44,000
--------------------------------	--------

This project would involve (1) the removal of two walls in the exam rooms and construction of a wall in a third exam room, (2) the addition of lights to five rooms used for the treatment of dermatology patients and (3) the installation of wiring for laboratory and patient admitting computers. SFGH advises that this work would be done in preparation for moving the Dermatology/Cardiology outpatient clinics to the fourth floor in preparation for the construction of a surgical center on the 3rd floor. The SFGH notes that the addition of lights for the rooms used for dermatology will allow easier identification of skin diseases.

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Total	\$465,000
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**Recommendation:** Approve the proposed resolution.





Item 9 - File 146-92-14

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuation grant of \$8,309,963 from the Health Resources and Services Administration to continue funding the Ryan White Comprehensive AIDS Resources Emergency (CARE/Title I Formula) Disaster Relief Grant; waiving indirect costs and providing for ratification of action previously taken.

**Grant Amount:** \$8,309,963

**Grant Period:** February 1, 1992 through January 31, 1993

**Source of Funds:** Federal Ryan White Comprehensive AIDS Resources Emergency (CARE/Title I Formula) Disaster Relief Grant

**Project** AIDS Disaster Relief Assistance

**Description:** The Ryan White CARE/Title I Formula Grant provides disaster relief assistance to localities that are disproportionately affected by the AIDS epidemic. As one of those localities, San Francisco would receive \$8,309,963 for the second twelve months of a three-year project period to support an assortment of AIDS programs and activities. The funder also provides some monies for contractors in Marin and San Mateo Counties, localities where the incidence of AIDS and ARC is too low to qualify for an independent CARE/Title I grant. The CARE/Title I Formula Grant is not a competitive grant, but is awarded based on the number of persons with AIDS in San Francisco.

The breakdown of CARE Grant funds into a comprehensive disaster relief budget is the responsibility of the HIV Health Services Planning Council, a body whose members are appointed by the Mayor. The funding priorities, as set by this body, are as follows:

30%	Housing and residential care
20%	Support Services (including psychosocial, benefits counseling, food, and advocacy)
15%	Early HIV intervention services
10%	AIDS/HIV Drug Program
10%	Case management activities
10%	Institutionally-based care (acute and long term)
5%	Administrative costs for program coordination
100%	Total

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<b>Budget:</b>	<u>Personnel</u>	<u>FTE</u>	
	Health Program Coordinator	1.0	\$50,665
	Management Assistant	4.0	160,443
	Contracts Compliance Officer	.6	30,117
	Senior Accountant	<u>1.0</u>	<u>38,848</u>
	Total Salaries	6.6	\$280,073
	Fringe Benefits		
	(26 percent of total salaries)		<u>72,819</u>
	Total Personnel		\$352,892
	<u>Travel</u>		
	Local Travel		106
	Mandated trips to funder (five trips for two)		<u>5,000</u>
	Total Travel		5,106
	<u>Equipment</u>		
	Computers (three at \$3,500)		10,500
	Non-inventoried equipment		<u>3,000</u>
	Total Equipment		13,500
	<u>Office Supplies</u>		2,000
	<u>Contractual Services</u>		
	(see Attachment 1, provided by DPH)		7,894,465
	<u>Administration</u>		
	Rent		19,000
	Telephone		3,000
	Postage		2,000
	Courier		1,000
	Reproduction		9,000
	Printing/Slide Production		500
	Promotions/Advertising		2,500
	Staff training		1,000
	Translation Services for Hearing Impaired		<u>4,000</u>
	Total Administration		<u>42,000</u>
	TOTAL PROJECT BUDGET		\$8,309,963
<b>Contract Budget:</b>	See Attachment 1, provided by the DPH.		
<b>Required Match:</b>	None		



**No. of Persons  
Served:**

Persons with AIDS/ARC in San Francisco, Marin and San Mateo Counties

**Indirect Costs:**

Indirect costs are specifically disallowed by Federal CARE legislation. Therefore, the proposed resolution would waive indirect costs for this grant. However, the funder would allow five percent, or approximately \$415,498, of the total grant to be used for administrative purposes (see Comment 1).

**Comments:**

1. According to Mr. Tim Piland of the DPH, \$415,498, which is all of the costs included in the proposed grant, except contractual services, are part of the five percent administrative costs allowed by the funder. DPH project staff would oversee the contractual services.

2. The proposed grant would begin February 1, 1992. The DPH advises that it has already begun to incur costs against this grant. Therefore, the proposed resolution contains a clause providing for ratification of action previously taken. The DPH has already received authorization to apply for the proposed grant (File 146-91-86).

3. Mr. Piland advises that the funder requires that funds be allocated to one of only two categories, administrative or contractual. Thus, if the DPH provides any direct services, these are categorized as contractual and included in Attachment 1. Mr. Piland reports that, other than DPH directly provided services, all of the contractors listed on Attachment 1 are nonprofit organizations, in accordance with the requirements of the funder, and were selected based on a competitive bid process.

4. The computers included in the proposed project budget were included in the Department's Master Plan, and have received the Electronic Information Processing Steering Committee's (EIPSC) approval.

5. Mr. Piland reports that non-inventoried equipment, at \$3,000, includes the estimated costs for any non-electronic equipment that costs less than \$400 per unit, such as desks, chairs, tables, file cabinets, and partitions.

6. The DPH's AIDS Office itself has submitted a Disability Access Checklist for the proposed grant. However, according to Mr. Piland, because of the large number of contractors, the Department has not yet been able to collect Disability Access Checklists from each contractor. Mr. Piland advises

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





that the Department will be submitting a revised resolution to the Finance Committee at its March 18, 1992 meeting, that would grant an extension for compliance with the City's Disability Access ordinance. Mr. Piland further advises that the contractors have been required by the DPH to submit Disability Access Checklists on or before April 17, 1992.

7. According to Mr. Piland, if grant funding were reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support 6.6 FTEs, an increase of 1.6 FTEs over the previous year's 5 FTEs.

8. The proposed grant of \$8,309,963 is \$1,916,097, or approximately 30 percent, larger than the previous year's grant of \$6,393,866. According to Mr. Piland, the Federal funding ceiling was significantly higher this year than in the previous budget period because Congress appropriated additional funds this year for these AIDS programs.

9. For the Summary of Grant Request Form, as completed by the DPH, see Attachment 2.

**Recommendation:** Whether the Board of Supervisors should accept the amended proposed resolution to grant an extension for compliance with the City's Disability Access ordinance until April 17, 1992 is a policy matter.



# CARE Formula Budget Contractual Summary

## February 1, 1992 – January 31, 1992

<u>Type of Service</u>	<u>Provider</u>	<u>Amount</u>	<u>Subtotal</u>
1. Primary Medical Care			
Early Intervention & Case Management	San Mateo County	\$306,223	
Primary Medical Care Services	Marin County	\$239,742	
Early Diag. & Treatment Intervention	SFDPH – Forensics	\$116,349	
Early Intervention Clinic	SFDPH – SF General Hospital	\$70,551	
Early Intervention Medical Services	SF Community Clinic Consort	\$209,000	
HIV Drug Program	SFDPH – SF General Hospital	\$444,135	
Minority Outpatient Care	SFDPH – SF General Hospital	\$104,279	
Primary Care Services	SFDPH – Public Health Svc	\$895,421	
Ward 86, AIDS Medical Clinic	SFDPH – SF General Hospital	\$174,877	\$256,745
3. Mental Health Therapy/Counseling			
Mental Health Services	UCSF – AIDS Health Project	\$109,608	
Outpat. Psych Consult. & Counseling	UCSF – AIDS Health Project	\$119,862	
Outreach & Mental Health Services	UCSF Ctr on Deafness	\$27,275	
4. Case Management			
Case Management	Health Outreach Team	\$122,579	
Case Management for Women & Children	SFDPH – Public Health Svc	\$55,712	
Case Management & Advocacy Training	UCSF – AIDS Health Project	\$63,526	
Case Management & Practical Support	Am Indian AIDS Inst	\$73,150	
Mental Health Case Management	SFDPH – Mental Health Svc	\$97,088	
Special Programs for Youth	SFDPH – Public Health Svc	\$192,308	\$827,603
5. Substance Abuse Treatment/Counseling			
Long-Term Residen. Drug & Alcohol Rx	Walden House	\$209,000	
Outpat. Substance Abuse Counseling	18th St. Services	\$151,724	
Outpat. M.H. & Subst. Abuse Services	Operation Concern	\$58,285	
Outpt. M.H. & Subst. Abuse Services	A.I.D.S.	\$119,365	
Substance Abuse Treatment	SFDPH – Subst Abuse Svc	\$76,249	
Ward 92, HIV-IDU Medical Clinic	SFDPH – SF General Hospital	\$212,980	
6. Rehabilitation Care			
Adult Day Health Care	Continuum	\$160,930	
7. Home Health Care			
Minority Attendant Care	Westside	\$96,140	
Residential Attendant Care Services	Catholic Charities	\$99,850	
Home Health & Hospice	Visiting Nurses and Hospice	\$185,916	



8. Home--Based Hospice Care Home/Hospice Care	Visiting Nurses and Hospice	\$282,150	\$282,150	\$282,150
9. Support Services				\$2,713,313
b. Buddy/Companion Services	Shanti Project		\$209,000	
c. Client Advocacy				
Eligibility Counseling & Advocacy	AIDS Benefits Counselors		\$231,415	
Money Management	Coming Home Support		\$52,113	
Outreach & Early Intervention	Gay Men of Color/EACH		\$120,629	
Outreach & Early Intervention	Project Inform		\$36,121	
d. Counseling				
Emotional Group Peer Support	BAHSES--BWMT/MACT		\$78,375	
Emotional Support Services	Tenderloin AIDS Resc Network		\$57,078	
Phone Crisis Intervention/Hotline	SF Suicide Preven.		\$62,700	
Psychosocial Support	Inst Familiar de la Raza		\$104,500	
e. Day and Respite Care	The Bridge for Kids		\$46,158	
f. Direct Financial Assistance				
Emergency Housing Payments	AIDS Emergency Fund		\$196,460	
g. Food Bank/Home Delivered Meals				
Consolidated Food Services	Project Open Hand		\$52,114	
Bulk Purchases & Home--Delivered Food	SF Food Bank		\$117,792	
Bulk Purchases & Home--Delivered Food	Project Open Hand		\$130,625	
i. Housing Related Services				
Congregate Care Housing	Shanti Project		\$104,500	
Emergency Housing Vouchers	SF AIDS Foundation		\$100,686	
Housing Case Management	AIDS Indigent Direct Svc		\$261,250	
Residential Counselor & Child Care	Catholic Charities		\$54,340	
j. Legal Assistance				
Legal Serv. for Eligibility Hearings	AIDS Legal Referral Panel		\$78,375	
m. Other				
SDP Consortia Support	SFDPH - AIDS Office		\$320,027	
Planning Council Support	SFDPH - AIDS Office		\$255,687	
Volunteer Training, Home Care	Home Care Companions		\$43,368	
Psychiatric Consultation/Liaison				\$106,878
10. In-Patient Personnel Costs	SFDPH - SF General Hospital		\$106,878	
TOTAL, FORMULA BUDGET CONTRACTUAL:				-----
				\$7,894,465
				=====
				- 18 -





Form No. 1 th Commission - Summary of 1st Request

Rev. 4/10/90

Health and Human Services  
 Grantor Health Resources and Services Admin Division - CO/AIDS Div  
 Contact Person Libby Hartnett Section AIDS Office  
 Address HRSA; 5600 Fishers Lane Contact Person Tim Piland  
Rockville, MD 20857 Telephone 554-9132  
 Amount Requested \$ 8,309,963 Application Deadline 1/17/92  
 Term: From 2/1/92 To 1/31/93 Notification Expected 2/1/92  
 Health Commission 2/4/92 Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to ~~(apply for)~~ (accept and expend) a ~~(new)~~ (continuation) ~~(allocation)~~ ~~(renewal)~~ grant in the amount of \$8,309,963 from the period of 2/1/92 to 1/31/93 to provide Ryan White Comprehensive AIDS Resources Emergency services.  
 (Circle appropriate words)  
 (CARE-Title I Formula) Disaster Relief Grant

II. Summary: (Costs/budget; need addressed; number & groups served; services and providers)

Please see attachment.

III. Outcomes/Objectives:

Please see attachment.

IV. Effects of Reduction or Termination of These Funds:

Failure to accept and expend these funds would severely impair the City's ability to respond effectively to the AIDS crisis.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount		<u>6,393,866*</u>	<u>8,309,963*</u>	<u>+1,916,097</u>		
Personnel		<u>266,547</u>	<u>352,892</u>	<u>+ 86,345</u>		
Equipment		<u>22,300</u>	<u>13,500</u>	<u>- 8,800</u>		
*Contract Svc.		<u>6,074,173</u>	<u>7,894,465</u>	<u>+1,820,292</u>		
Mat. & Supp.		<u>1,003</u>	<u>2,000</u>	<u>+ 997</u>		
Facilities/Space		<u>12,768</u>	<u>19,000</u>	<u>+ 6,232</u>		
Other		<u>17,075</u>	<u>28,106</u>	<u>+ 11,031</u>		
Indirect Costs		<u>0</u>	<u>0</u>	<u>0</u>		

\*Funder allows 5% maximum for administrative purposes; the remainder must go into contractual services.

VI. Data Processing

(costs included above)

VII. Personnel

F/T CSC	<u>5.00</u>	<u>6.60</u>	<u>1.60</u>	
P/T CSC				
Contractual				

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

None.

Will grant funded employees be retained after this grant terminates? If so, How?

No.

\*VIII. Contractual Services: Open Bid all Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)



Item 10 - File 146-92-15

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuation grant of \$14,661,192 from the Health Resources and Services Administration to continue funding the Ryan White Comprehensive AIDS Resources Emergency (CARE/Title I Supplemental) Disaster Relief Grant; waiving indirect costs.

**Grant Amount:** \$14,661,192

**Grant Period:** April 4, 1992 through April 3, 1993

**Source of Funds:** Federal Ryan White Comprehensive AIDS Resources Emergency (CARE/Title I Supplemental) Disaster Relief Grant

**Project** AIDS Disaster Relief Assistance

**Description:** The Ryan White CARE/Title I Supplemental Grant provides disaster relief assistance to localities that are disproportionately affected by the AIDS epidemic. As one of those localities, San Francisco would receive \$14,661,192 for the second twelve months of a three-year project period to support an assortment of AIDS programs and activities. The funder also provides some monies for contractors in Marin and San Mateo Counties, localities where the incidence of AIDS and ARC is too low to qualify for an independent CARE/Title I grant. The CARE/Title I Supplemental Grant is awarded on a competitive basis.

The breakdown of CARE Grant funds into a comprehensive disaster relief budget is the responsibility of the HIV Health Services Planning Council, a body whose members are appointed by the Mayor. The funding priorities, as set by this body, are as follows:

30%	Housing and residential care
20%	Support Services (including psychosocial, benefits counseling, food, and advocacy)
15%	Early HIV intervention services
10%	AIDS/HIV Drug Program
10%	Case management activities
10%	Institutionally-based care (acute and long term)
<u>5%</u>	Administrative costs for program coordination
100%	Total

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<b>Budget:</b>	<u>Personnel</u>	<u>FTE</u>	
	<u>AIDS Office</u>		
	MIS Specialist III	1.0	\$44,639
	MIS Technician II	.5	13,507
	Secretary II	1.0	28,869
	<u>Operations Branch</u>		
	Management Assistant	1.0	41,322
	Senior Management Asst.	1.0	47,056
	Secretary I	1.0	24,934
	Sr. Clerk Typist	1.0	28,728
	Sr. Account Clerk	.5	14,645
	<u>Contracts Section</u>		
	Jr. Management Asst.	2.0	72,974
	Secretary II	1.0	31,792
	<u>Director's Office</u>		
	Jr. Management Asst.	1.0	36,487
	Sr. Clerk Typist	1.0	28,728
	<u>Accounting</u>		
	Clerk Typist	1.0	26,254
	<u>Office of Contracts Management</u>		
	Management Assistant	1.0	37,555
	Total Permanent Salaries	14.0	\$477,490
	Fringe Benefits		
	(26 percent of permanent salaries)		124,147
	<u>Temporary Salaries</u>		
	Secretary II (as needed)		<u>13,318</u>
	Total Personnel		\$614,955
	<u>Travel</u>		
	Local Travel		500
	Mandated trips to the funding agency		
	(six trips for two people)		<u>7,000</u>
	Total Travel		7,500
	<u>Contractual Services</u>		
	(see Attachment 1 provided by DPH)		13,928,132





Memo to Finance Committee  
March 18, 1992

<u>Equipment</u>		
Computers (6 at \$3,500 each)	\$21,000	
Non-inventoried equipment		<u>5,000</u>
Total Equipment		\$26,000
<u>Office Supplies</u>		
		12,000
<u>Administration</u>		
Rent	34,050	
Telephone	10,000	
Postage	3,000	
Courier	5,000	
Reproduction	9,000	
Printing/Slide Production	500	
Promotions/Advertising	4,000	
Staff training	1,055	
Interpretation	<u>6,000</u>	
Total Administration		<u>72,605</u>
TOTAL PROJECT BUDGET		\$14,661,192

**Contract Budget:** See Attachment 1.

**Required Match:** None

**No. of Persons Served:** Persons with AIDS or ARC in San Francisco, Marin and San Mateo Counties

**Indirect Costs:** Indirect costs are specifically disallowed by Federal CARE legislation. Therefore, the proposed resolution would waive indirect costs for this grant. However, the funder would allow five percent of the total grant to be used for administrative purposes (see Comment 1).

**Comments:**

1. According to Mr. Tim Piland of the DPH, \$733,060, which is all of the costs included in the proposed grant, except contractual services, represent the five percent administrative costs allowed by the funder. DPH project staff would oversee the contractual services.
2. The proposed grant of \$14,661,192 is approximately 2.3 times larger than the previous year's grant of \$6,319,965. According to Mr. Piland, the Federal funding ceiling was significantly higher this year than in the previous budget period because Congress appropriated additional funds this year for these AIDS programs.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3. Mr. Piland advises that the funder requires that funds be allocated to one of only two categories, administrative or contractual. Thus, if the DPH provides any direct services, these are categorized as contractual and included in Attachment 1. Mr. Piland reports that, other than DPH directly provided services, all of the contractors listed on Attachment 1 are nonprofit organizations, in accordance with the requirements of the funder, and were selected based on a competitive bid process.

According to Attachment 1, service providers have not been determined for a \$260,000 contract for substance abuse treatment, a \$260,000 contract for other primary health care, a \$100,000 contract for primary medical care, a \$200,000 contract for housing services, a \$200,000 contract for substance abuse services, and three contracts in Marin including substance abuse treatment, at \$40,000, primary health care, at \$90,000, and housing services, at \$120,000. Thus, contracts totaling \$1,270,000 are still to be determined. Mr. Piland advises that contractors for such services are currently being selected on the basis of a competitive bid. Since all of the selected contractors must be non-profit organizations to meet the funding requirements, the City's MBE/WBE ordinance would not be applicable. The \$1,270,000 should be reserved pending selection of the non-profit contractors.

4. The computers included in the proposed project budget were included in the Department's Master Plan, and have received Electronic Information Processing Steering Committee's (EIPSC) approval.

5. Mr. Piland reports that non-inventoried equipment, at \$5,000, includes the estimated costs for any non-electronic equipment that costs less than \$400 per unit, such as desks, chairs, tables, file cabinets, and partitions.

6. The DPH's AIDS Office itself has submitted a Disability Access Checklist, which is in the file. However, according to Mr. Piland, because of the large number of contractors, the Department has not yet been able to collect Disability Access Checklists from each contractor. Mr. Piland advises that the Department will be submitting a revised resolution to the Finance Committee at its March 18, 1992 meeting, that would grant an extension for compliance with the City's Disability Access ordinance. Mr. Piland further advises that the contractors have been required by DPH to submit Disability Access Checklists on or before April 17, 1992.



7. According to Mr. Piland, if grant funding were reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support 14 FTEs, an increase of 10 FTEs over the previous year's 4 FTEs.

8. The DPH previously received authorization to apply for the proposed grant (File 146-92-1).

9. For the Summary of Grant Request Form, as completed by the DPH, see Attachment 2.

- Recommendations:**
1. Amend the proposed resolution by reserving the \$1,270,000 in contractual services funds for the eight nonprofit organizations which have not yet been selected.
  - 2 Whether the Board of Supervisors should accept the amended proposed resolution to grant an extension for compliance with the City's Disability Access ordinance until April 17, 1992 is a policy matter.





## CARE SUPPLEMENTAL BUDGET SUMMARY

(in priority order)

April 4, 1992 - April 3, 1993

By Fiscal Year 1992 Service Categories

(Page 1 of 2)

<u>No.</u>	<u>HRSA Service Category</u>	<u>San Francisco EMA Service Category</u>	<u>Provider</u>	<u>Amount</u>
<u>Administration</u>				\$733,060
<u>Continuing Programs</u>				
1.	Client Advocacy	Case Management	GCHP & FTFA	\$78,375
2.	Client Advocacy	Case Management	CURAS	\$104,500
3.	Primary Medical Care	Case Management	SFDPH - CPHS	\$60,138
4.	Case Management	Case Management	SFDPH - CMHS	\$240,920
5.	Support Services - Other	Case Management	SFDPH - AIDS Office	\$261,258
6.	Case Management	Case Management	San Mateo County	\$79,460
7.	Case Management	Case Management	Marin County	\$135,384
8.	Housing Related Services	Substance Abuse Treatment	Walden House	\$223,661
9.	Housing Related Services	Substance Abuse Treatment	Baker Places	\$218,196
10.	Housing Related Services	Housing Services	Shanti Project	\$167,200
11.	Direct Financial Assistance	Housing Services	Shanti Project	\$224,675
12.	Day and Respite Care	Other Primary Health Care	CPMC / VNH	\$78,375
13.	Home-Based Hospice Care	Other Primary Health Care	Maitri AIDS Hospice	\$52,250
14.	Dental Care	Primary Medical Care	UOP, School of Dentistry	\$313,500
15.	Primary Medical Care	Primary Medical Care	Community Clinic Consortium	\$313,500
16.	Primary Medical Care	Primary Medical Care	San Mateo County AIDS Clinic	\$226,762
17.	Primary Medical Care	Primary Medical Care	Marin County AIDS Clinic	\$104,357
18.	Primary Medical Care	Primary Medical Care	SFDPH - CMHS	\$156,691
19.	Primary Medical Care	Primary Medical Care	St. Mary's Hospital	\$261,250
20.	Home Health Care	Other Primary Health Care	CPMC / VNH	\$219,973
21.	Substance Abuse Treatment	Substance Abuse Treatment	Continuum HIV Day Services	\$41,800
22.	Mental Health Therapy	Psychosocial Support	CPMC / Operation Concern	\$120,175
23.	Substance Abuse Treatment	Substance Abuse Treatment	UCSF AIDS Health Project	\$104,500
24.	Day and Respite Care	Other Primary Health Care	SFDPH - Laguna Honda Hospital	\$104,517
25.	Housing Related Services	Housing Services	Westside Mental Health	\$104,500
26.	Mental Health Therapy	Primary Medical Care	Family Service Agency	\$90,915
27.	Mental Health Therapy	Primary Medical Care	UCSF AIDS Health Project	\$64,790
28.	Food Bank/Delivered Meals	Other Primary Health Care	Project Open Hand	\$143,458
29.	Food Bank/Delivered Meals	Other Primary Health Care	Project Open Hand	\$130,625
30.	Buddy/Companion Services	Psychosocial Support	BVHP Foundation	\$104,500
31.	Buddy/Companion Services	Psychosocial Support	Shanti Project	\$52,250
32.	Buddy/Companion Services	Psychosocial Support	Shanti Project	\$130,625
33.	Transportation	Psychosocial Support	BAHSES / BWMT / MACT	\$5,225
34.	Counseling	Psychosocial Support	CPMC / Operation Concern	\$104,500
35.	Counseling	Psychosocial Support	Larkin Street Youth Center	\$123,404
36.	Adoption/Foster Care Assist.	Psychosocial Support	S.F. Dept. of Social Services	\$103,455
Subtotal, Continuing Programs				\$5,049,664



## CARE SUPPLEMENTAL BUDGET SUMMARY

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(in priority order)

April 4, 1992 - April 3, 1993

By Fiscal Year 1992 Service Categories

(Continued, Page 2 of 2)

HRSA		San Francisco EMA		
No.	Service Category	Service Category	Provider	Amount
<u>New Programs</u>				
37.	Case Management	Case Management	Westside Mental Health	\$86,973
38.	Case Management	Case Management	SFDPH - AIDS Office	\$98,325
39.	Direct Financial Assistance	Housing Services	AIDS Emergency Fund	\$175,000
40.	Housing Related Services	Housing Services	Larkin Street Youth Center	\$106,326
41.	Direct Financial Assistance	Housing Services	Catholic Charities	\$218,015
42.	Housing Related Services	Housing Services	Baker Places	\$250,000
43.	Housing Related Services	Housing Services	Black Coalition on AIDS	\$237,508
44.	Housing Related Services	Housing Services	Shanti Project	\$500,000
45.	Substance Abuse Treatment	Substance Abuse Treatment	[To be determined]	\$260,000
46.	Substance Abuse Treatment	Substance Abuse Treatment	Women's Inst. of Mental Health	\$198,688
47.	Substance Abuse Treatment	Substance Abuse Treatment	Salvation Army/Harbor Light	\$120,028
48.	Substance Abuse Treatment	Substance Abuse Treatment	Walden House	\$375,000
49.	Substance Abuse Treatment	Substance Abuse Treatment	Haight Ashbury Free Clinic	\$75,000
50.	Substance Abuse Treatment	Substance Abuse Treatment	UCSF Subst Abuse Svcs/SFGH	\$250,000
51.	Substance Abuse Treatment	Substance Abuse Treatment	Baker Places	\$461,417
52.	Substance Abuse Treatment	Other Primary Health Care	[To be determined]	\$260,000
53.	Food Bank/Delivered Meals	Other Primary Health Care	Project Open Hand	\$250,000
54.	Primary Medical Care	Other Primary Health Care	Inst. for Traditional Medicine	\$108,520
55.	Primary Medical Care	Other Primary Health Care	Am. College of Traditional Med.	\$173,279
56.	Primary Medical Care	Primary Medical Care	Haight Ashbury Free Med Clinic	\$233,134
57.	Primary Medical Care	Primary Medical Care	Planned Parenthood/PHREDA	\$148,859
58.	Primary Medical Care	Primary Medical Care	UCSF AIDS Clinic (Women's)	\$92,320
59.	Primary Medical Care	Primary Medical Care	Lyon Martin Womens' Health Svcs.	\$180,000
60.	Mental Health Therapy	Primary Medical Care	American Indian AIDS Institute	\$25,000
61.	Mental Health Therapy	Primary Medical Care	California Pacific Medical Ctr.	\$225,000
62.	Primary Medical Care	Primary Medical Care	[To be determined]	\$100,000
63.	Support Services - Other	Psychosocial Support	Rose Resnick Ctr. for the Blind	\$33,916
64.	Sign Language Services	Psychosocial Support	UCSF Center on Deafness	\$75,000
65.	Interpretation Services	Psychosocial Support	Filipino Task Force on AIDS	\$25,000
66.	Legal Assistance	Psychosocial Support	AIDS Legal Referral Panel	\$66,474
67.	Legal Assistance	Psychosocial Support	Bar Association	\$73,985
68.	Counseling	Psychosocial Support	S.F. Suicide Prevention	\$36,000
69.	Housing Related Services	Housing Services	[To be determined]	\$200,000
70.	Substance Abuse Treatment	Substance Abuse Treatment	[To be determined]	\$200,000
71.	Primary Medical Care	Primary Medical Care	SFDPH - CPHS	\$1,352,158
72.	Primary Medical Care	Primary Medical Care	SFDPH - Ward 86	\$442,908
73.	Mental Health Therapy	Primary Medical Care	SFDPH - DMSF	\$270,628
74.	Primary Medical Care	Primary Medical Care	SFDPH - TB	\$199,294
75.	Primary Medical Care	Primary Medical Care	SFDPH - SFGH - ED	\$113,749
76.	Primary Medical Care	Primary Medical Care	SFDPH - SFGH	\$330,964
77.	Substance Abuse Treatment	Substance Abuse Treatment	Marin [To be determined]	\$40,000
78.	Food Bank/Delivered Meals	Other Primary Health Care	Marin [To be determined]	\$90,000
79.	Housing Related Services	Housing Services	Marin [To be determined]	\$120,000
Subtotal, New Programs				\$8,878,468
Total, Non-Administrative Budget				\$13,928,132
Subtotal, Admininstrative Budget				\$733,060
TOTAL, SUPPLEMENTAL BUDGET				\$14,661,192



Heal Commission - Summary of Grant Request

Rev. 4/10/90

Grantor Health Resources and Services Admin Division CO/AIDS Div  
 Contact Person Libby Hartnett Section AIDS Office  
 Address Health Resources and Services Admin Contact Person Tim Piland  
Rockville, MD 20857 Telephone 554-9132  
 Amount Requested \$ 14,661,192 Application Deadline 2-12-92  
 Term: From 4-4-92 To 4-3-93 Notification Expected 3-27-92  
 Health Commission 3-3-92 Board of Supervisors: Finance Committee 3-25-92  
3-30-92

APPLY RES. # 146-92-1 approved by Finance Comm. 2/12/92. Board  
 I. Item Description: Request to ~~(apply for)~~ (accept and expend) a ~~(new)~~ (continuation) (allocation) ~~(augmentation)~~ ~~(re)~~  
 (Circle appropriate words) grant in the amount of \$14,661,192 from the period of 4-4-92 to 4-3-93  
 to provide Ryan White Comprehensive AIDS Resources Emergency services.  
 (CARE/Title I Supplemental) Disaster Relief Grant

II. Summary: (Content/history; need addressed; number + groups served; services and providers)

Please see abstract (Attachment I).

III. Outcomes/Objectives:

Please see abstract (Attachment I).

IV. Effects of Reduction or Termination of These Funds:

Failure to accept and expend these AIDS funds would severely impair our abilities to address the epidemic in San Francisco.

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount		<u>6,319,965</u>	<u>14,661,192</u>	<u>+8,341,227</u>	<u>None</u>	
Personnel		<u>153,610</u>	<u>614,955</u>	<u>+ 461,345</u>		
Equipment		<u>101,700</u>	<u>26,000</u>	<u>= 75,700</u>		
*Contract Svc.		<u>6,003,967</u>	<u>13,928,132</u>	<u>+7,924,165</u>		
Mat. & Supp.		<u>11,500</u>	<u>12,000</u>	<u>+ 500</u>		
Facilities/Space		<u>25,000</u>	<u>34,050</u>	<u>+ 9,050</u>		
Other		<u>24,188</u>	<u>46,055</u>	<u>+ 21,867</u>		
Indirect Costs		<u>0</u>	<u>0</u>	<u>0</u>		

VI. Data Processing

(same included above)

Approx 75,000 21,000 - 54,000

VII. Personnel

F/T CSC	<u>4.00</u>	<u>14.00</u>	<u>+ 10.00</u>	
P/T CSC				
Contractual				

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

None.

Will grant funded employees be retained after this grant terminates? If so, How?

No.

\*VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)

All contractors chosen by CARE Application RFP Process (112-91 and 139-91)





Items 11, 12, 13 and 14 - Files 60-92-1.5, 60-92-1.6, 60-92-1.7 and 60-92-1.8

**Items:** Hearing to consider rebuttal argument concerning improving the heating system within the Civic Center Area - Proposition D, (File 60-92-1.5).

Hearing to consider rebuttal argument concerning improving the Civic Center Plaza and Fulton Street Mall - Proposition B, (File 60-92-1.6).

Hearing to consider rebuttal argument concerning enlarging the existing Civic Center Parking Garage or construction of adjacent parking garage - Proposition C, (File 60-92-1.7).

Hearing to consider rebuttal argument concerning improvements to Golden Gate Park - Proposition A, (File 60-92-1.8).

**Comment:** The Budget Analyst does not report on ballot arguments.



Item 15 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of March 11, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:



PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988	1993	
	INDUSTRIES	INDUSTRIES	CHANGE
	Sectors	Sectors	
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION	15,400	14,700	(700)
MANUFACTURING	41,400	38,800	(2,600)
Nondurable	32,900	31,600	(1,300)
Food	5,700	4,900	(800)
Apparel	12,800	12,900	100
Printing/Publish	10,300	10,500	200
Other	4,100	3,300	(800)
Durable	8,500	7,200	(1,300)
Metals	1,800	1,300	(500)
Transp. Equip.	1,800	1,100	(700)
Other	4,900	4,800	(100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation	20,600	21,600	1,000
Communication/Utilities	19,300	17,400	(1,900)
WHOLESALE TRADE	31,600	30,500	(1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores	8,100	8,000	(100)
Food stores	8,600	9,600	1,000
Apparel stores	7,800	8,100	300
Restaurants & bars	32,400	33,200	800
Other	20,900	22,500	1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance	47,400	46,000	(1,400)
Insurance/Real Estate	30,300	29,600	(700)
SERVICES	186,600	207,800	21,200
Hotel services	17,000	19,600	2,600
Business services	47,000	55,200	8,200
Health services	25,000	25,700	700
Legal services	19,200	23,500	4,300
Social services	20,400	21,700	1,300
Engineer, Architect, Mgmt	28,200	30,200	2,000
Other	29,800	31,900	2,100
GOVERNMENT	90,200	91,700	1,500
Federal	29,500	27,000	(2,500)
State and Local	60,700	64,700	4,000
	560,600	579,500	





PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.70) (3.70)
MANUFACTURING	(6.28)	(13.76)
Nondurable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.05)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.17
Hotel services	15.29	13.76
Business services	17.45	43.39
Health services	2.80	3.70
Legal services	22.40	22.75
Social services	6.37	6.88
Engineer, Architect, Mgmt	7.09	10.58
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.16



The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (579,500 less 560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

Manufacturing Industry. The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

Services Industry. The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

Labor Supply and Growth Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national



average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.





Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.



Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,



resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against





interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.



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Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members is currently reviewing and holding hearings regarding changes to the Commission. Although such changes have not been finalized and would require approval of the Board of Supervisors, according to Mr. Sims, the Small Business Advisory Commission may be changed to incorporate both large and small, downtown and neighborhood business interests. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is anticipated to be completed during the next couple of months, will focus on the Bayview neighborhood.

Employment Impacts. In response to the Finance Committee's request, the Budget Analyst has analyzed the employment impacts on the San Francisco Bay Area of an additional \$1 billion of grant or bond funds to the City. The following two charts reflect the number of direct jobs and the total number of direct and indirect jobs that could be expected to result:





<u>Direct Employment</u>	<u>Number of Direct Jobs Per \$1 Billion</u>	<u>Number of Direct and Indirect Jobs Per \$1 Billion</u>
Construction - Non-residential	9,367	11,709
Construction - Highways and Public Utilities	10,633	12,653
Maintenance and Repair	<u>6,800</u>	<u>8,500</u>
Total	26,800	32,862

As reflected above, assuming that a total of an additional \$1 billion of grant or bond funds were equally distributed among the above three construction and maintenance sectors of the economy, it is estimated that 26,800 additional direct jobs would be created. Overall, a total of 32,862 direct and indirect jobs would be created if an additional \$1 billion of grant or bond funds were approved by the City.

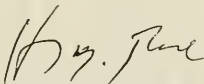
These estimates are based on the Association of Bay Area Governments (ABAG) Input-Output Model which reflects the impact on the San Francisco Bay Area, which includes the surrounding counties. The impact on San Francisco would be less, although the precise impact on San Francisco cannot be determined. It is also assumed that the jobs created within each of these industries are new jobs and not relocations from other jobs and that all purchases by businesses would come from enterprises within the Bay Area.

General Obligation Bonds. In response to the Finance Committee's request on March 11, 1992, the Budget Analyst provides the attached information, prepared by the Office of the Chief Administrative Officer, regarding the amount of General Obligation bond measures that have been approved by the San Francisco voters, the amount of bonds issued by the City to date, the remaining amount not yet issued and the amount of the four proposed bond measures for the June, 1992 ballot. As reflected in the attachment, since 1986, the voters of San Francisco have approved \$753.3 million of General Obligation bonds. To date, a total of \$390,597,849 of these \$753.3 million of approved bonds have not yet been issued. In addition, another \$148,220,000 for four General Obligation bonds are on the June 2, 1992 ballot. If all four of these bond measures are approved in June, 1992, it would result in a total of \$538.8 million of outstanding bonds to be issued.



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Based on \$538.8 million of outstanding bonds, using the same ABAG Input-Output Model as above, the Budget Analyst projects this would result in an additional 14,440 direct jobs and an overall total of 17,706 direct and indirect jobs for the San Francisco Bay Area.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Shelley  
Supervisor Hallinan  
President Ward  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey



## General Obligation Bond Elections

Date	Purpose	Amount Authorized	Amount Issued	Less FEMA Funds	Amount Remaining Unissued
4-Nov-86	Fire Protection System Improvements	46,200,000	46,200,000		
3-Nov-87	Police Department Facilities	28,000,000	21,900,000		6,100,000
3-Nov-87	Street and Safety Improvements	27,000,000	27,000,000		
3-Nov-87	SF General Hospital Mental Health Facility	26,000,000	26,000,000		
3-Nov-87	Recreation and Park Facilities	18,000,000	18,000,000		
7-Jun-88	Public School Facilities	90,000,000	90,000,000		
8-Nov-88	Library Facilities	109,500,000	25,000,000		84,500,000
7-Nov-89	Public Safety Improvements (ESP I)	59,700,000	27,000,000		32,700,000
5-Jun-90	Public Safety Improvements (ESP II)	332,400,000	49,500,000	15,602,151	267,297,849
6-Nov-90	Correctional Facilities	16,500,000	16,500,000		

Total To Date

753,300,000

347,100,000

15,602,151

390,597,849

2-Jun-92 Civic Center Garage Expansion  
 2-Jun-92 Civic Center Healing System  
 2-Jun-92 Civic Center Plaza Improvements  
 2-Jun-92 Golden Gate Park Improvements

24,000,000  
 21,220,000  
 26,700,000  
 76,300,000

24,000,000  
 21,220,000  
 26,700,000  
 76,300,000

Proposed Bonds

148,220,000

148,220,000

901,520,000

347,100,000

15,602,151

538,817,849





540.25  
#2

25/92 DOCUMENTS DEPT.

MAR 27 1992

SAN FRANCISCO  
PUBLIC LIBRARY

Actions Taken.  
**CALENDAR**

**MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

PUBLIC LIBRARY 2  
DOCUMENTS DIVISION  
CIVIC CENTER

WEDNESDAY, MARCH 25, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

ABSENT: SUPERVISOR GONZALEZ - Items 1d, 1e, 1f

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

**CONSENT CALENDAR**

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 25-92-1. [Contracting Out City Services] Resolution concurring with the Controller's certification that security services can be practically performed at the Department of Social Services by private contractor for lower cost than similar work services performed by City and County employees. (Department of Social Services)
- b. File 25-92-2. [Contracting Out City Services] Resolution approving the Controller's certification that shuttle bus services for San Francisco International Airport can practically be performed by private contractor at a lower cost for the year commencing July 1, 1992 than if work were performed by City and County employees. (Airports Commission)
- c. File 38-92-8. [Acceptance of Gift] Resolution accepting a gift of the San Francisco Public Library of \$823,012 from the Library Foundation of San Francisco for design fees associated with carpeting, bookstacks and other elements of the New Main Library. (Public Library)
- d. File 38-92-9. [Acceptance of Gift] Resolution authorizing the Department of Public Health to accept a cash gift of \$8,351 from the Visiting Nurses and Hospice to Laguna Honda Hospital, for patient activities. (Department of Public Health)
- e. File 38-92-10. [Acceptance of Gift] Resolution authorizing the Department of Public Health to accept a cash gift in the amount of \$15,600 from the Estate of Anna A. Seebe to Laguna Honda Hospital, for patient activities not presently funded by the City and County of San Francisco. (Department of Public Health)

- f. File 38-92-11. [Acceptance of Gift] Resolution authorizing the Department of Public Health to accept a cash gift of \$30,000 from the Estate of Henry Picard to Laguna Honda Hospital, for patient activities. (Department of Public Health)
- g. File 146-92-16. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to accept and expend a grant of \$510,628, which includes indirect costs in the amount of \$35,666 based on twenty percent of salaries, from the State Department of Health Services, for the Hepatitis B Immunization Demonstration Project. (Department of Public Health)
- h. File 146-92-17. [Grant - Private and State Funds] Resolution authorizing the Department of Public Health, Central Administration, as subgrantee, in collaboration with the State Department of Mental Health, as primary grantee, to accept and expend a grant augmentation of \$158,408, which includes indirect costs in the amount of \$7,819 based on nine percent of salaries and other allowable costs, from the Robert Wood Johnson Foundation for the provision of a system of care for children and youth who are seriously emotionally disturbed and their families. (Department of Public Health)
- i. File 146-92-18. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse, to apply for a grant of \$25,000, which includes indirect costs in the amount of \$1,190, based on five percent of the total award of \$25,000, from the Department of Development Disabilities for socialization groups for Asian Developmentally Disabled Children. (Department of Public Health)
- j. File 146-92-19. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, STD Control Division, to apply for a grant of \$250,000, which includes indirect costs in the amount of \$25,000, based on ten percent of the total award from the Centers for Disease Control for development of a computer based quality assurance system for STD clinic medical records. (Department of Public Health)
- k. File 146-92-20. [Grant - Private Funds] Resolution authorizing the Department of Public Health, Family Health Bureau, to apply for grants totaling \$142,385, from the Walter and Elise Haas Foundation, the San Francisco Foundation, the Kaiser Foundation, and the Stuart Foundation, for adolescent pregnancy/STD prevention services, waiving indirect costs. (Department of Public Health)
- l. File 146-92-21. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Toxics, to apply for a grant of \$50,000, which includes indirect costs in the amount of \$5,000, based on 20% of salaries, from the California Department of Fish & Game, Office of Oil Spill Prevention and Response, for a plan to prepare for and respond to oil spills. (Department of Public Health)

**ACTION:** Items 1a, 1c, 1d, 1e, 1f, 1g, 1h, 1k severed. Remainder Recommended.

Item 1a, File 25-92-1. Hearing Held. Continued to April 1, 1992.

Item 1c, File 38-92-8. Recommended.

Item 1d, File 38-92-9. Amended. Recommended as Amended. (Add to title "retroactively")

Item 1e, File 38-92-10. Amended. Recommended as Amended. (Add to title "retroactively")

Item 1f, File 38-92-11. Amended. Recommended as Amended. (Add to title "retroactively")

Item 1g, File 146-92-16. Amended. Recommended as Amended. (Add to title "placing reserve on \$143,000)

Item 1h, File 146-92-17. Amended. Recommended as Amended. (Add to title "placing reserve on \$44,214)

Item 1k, File 146-92-20. Amended. Recommended as Amended. (Reduce to \$128,885)

## REGULAR CALENDAR

2. File 165-92-3. [Budget Analyst Review] Motion directing the Budget Analyst to conduct an analysis of Department of Public Works Bureau of Architecture and Engineering regarding their staffing levels relative to the reductions of private sector opportunities. (Supervisor Gonzalez)

ACTION: HEARING HELD. CONTINUED TO CALL OF THE CHAIR.

3. File 101-91-58. [Government Funding] Ordinance appropriating \$4,282,200, Chief Administrative Officer, for capital improvement project (Moscone Center Expansion Project). RO #91148. (Controller)

ACTION: RECOMMENDED.

4. File 101-91-59. [Government Funding] Ordinance appropriating \$380,000, Department of Public Health, San Francisco General Hospital, for capital improvement project (Nuclear Laboratory Relocation). RO #91151. (Controller)

ACTION: RECOMMENDED.

5. File 101-91-60. [Government Funding] Ordinance appropriating \$28,800, Department of Real Estate, for acquisition costs (air rights). RO #91187. (Controller)

ACTION: RECOMMENDED.

6. File 102-91-12. [Public Employment] Ordinance amending Annual Salary Ordinance, 1991-92, reflecting the addition of one position in Superior Court – Juvenile Justice Commission (Classification 0589 Court Assistant, Superior Court); companion measure to File 101-91-29. (Civil Service Commission)  
(Cont'd from 12/18/91)

ACTION: CONTINUED TO APRIL 1, 1992 (at request of Commission)

7. File 101-91-29. [Government Funding] Ordinance appropriating \$18,666, Superior Court, for permanent salaries, related mandatory fringe benefits, travel, training, other services and materials and supplies for the creation of one position. RO #91117; companion measure to File 102-91-12. (Controller)  
(Cont'd from 12/18/91)

ACTION: CONTINUED TO APRIL 1, 1992 (at request of Commission)

8. File 96-91-2.1. [Reimbursement from Bond Proceeds] Resolution declaring official intent of the City and County of San Francisco to reimburse funds for purchase of air rights from proceeds of taxable or tax-exempt indebtedness. (Chief Administrative Officer)

ACTION: RECOMMENDED.

9. File 94-92-1. [Grant - State Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend \$437,000 including an estimated \$30,900 of indirect costs from 1991-92 State Traffic System Management funds for the Municipal Railway. (Public Utilities Commission)

ACTION: AMENDED. "Authorizing the Public Utilities Commission to apply retroactively for, accept, an expend \$437,000, including an estimated \$30,900 of indirect costs from 1991-92 State Traffic System Management funds for the Municipal Railway, placing reserve on \$365,900."  
RECOMMENDED AS AMENDED.

10. File 101-91-7.3. [Release of Funds] Requesting release of reserved funds, Fire Department - 1986 Fire Protection Bond, in the amount of \$281,500, for asbestos abatement work at Pump Station #1. (Fire Department)

ACTION: CONTINUED TO APRIL 1, 1992.

11. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$3,000,000, for benefit payoff-miscellaneous. (Controller)

ACTION: HEARING HELD. RELEASE OF \$1,867,425 RECOMMENDED. FILED.  
(File 101-91-55.2)

REMAINDER \$1,132,575 CONTINUED TO APRIL 1, 1992 (File 101-91-55.1)

12. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 3/18/92)

ACTION: HEARING HELD. CONTINUED TO APRIL 22, 1992.



25  
CITY AND COUNTY



OF SAN FRANCISCO

192  
**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 23, 1992

**TO:** Finance Committee

**FROM:** Budget Analyst - *Recommendations*

**SUBJECT:** March 25, 1992 Finance Committee Meeting

Item 1a - File 25-92-1

**Department:** Department of Social Services (DSS)

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Security Guard services at 150 and 170 Otis Street, 1440 Harrison Street, 1625 Van Ness and San Francisco General Hospital Facilities.

**Description:** The Controller has determined that contracting for these security guard services in fiscal year 1992-93 would result in estimated savings as follows:



	<u>Lowest Salary Step</u>	<u>Highest Salary Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$692,655	\$818,666
Fringe Benefits	196,011	222,158
Operating Expenses	<u>16,875</u>	<u>16,875</u>
Total	\$905,541	\$1,057,699
 <u>Contracted Service Cost</u>	 <u>638,214</u>	 <u>638,214</u>
 <u>Estimated Savings</u>	 \$267,327	 \$419,485

**Comments:**

1. Security guard services were first certified as required by Charter Section 8.300-1 in 1978 and have been provided by an outside contractor since 1971.
2. The current one-year contract, which expires August 31, 1992, is with Burns International Security Services. The Contracted Service Costs used for purposes of this analysis are the projected costs submitted by Burns International Security Services for the period of September 1, 1992 through August 31, 1993.
3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment SOCIAL SERVICES 45Contract Services SECURITY SERVICESFor the term starting approximately 9/1/92 through 8/31/93

1) Who performed services prior to contracting out?

It was contracted out since the service was established.

2) Number of City employees laid off as a result of contracting out?

None

3) Explain disposition of employees if they were not laid off.

N/A

4) What percent of a City employee's time is spent on services to be contracted out?

None

5) How long have the services been contracted out?

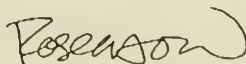
21 years

6) When was the first fiscal year for a Proposition J certification?

1983

7) How will contract services meet the goals of your MBE/WBE Action Plan?

It will conform with the plan.



ROSE CHOW, SR. MGM'T ASST.

Department Representative

557-5404

Telephone



Item 1b - File 25-92-2

**Department:** San Francisco International Airport

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Shuttlebus Services

**Description:** The Controller has determined that contracting for these shuttlebus services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Costs</u>		
Salaries and Wages	\$1,945,974	\$1,982,439
Fringe Benefits	<u>483,185</u>	<u>490,252</u>
Subtotal Personnel	\$2,429,159	\$2,472,691
Operating Expenses	<u>398,318</u>	<u>398,318</u>
Total	\$2,827,477	\$2,871,009
<u>Contractual Services</u>	<u>2,265,112</u>	<u>2,265,112</u>
<u>Estimated Savings</u>	\$562,365	\$605,897

**Comments:** 1. Shuttlebus services were first certified as required by Charter Section 8.300-1 in 1984. These services have been provided by an outside contractor since 1975.

2. The current ten year contract, which expires December 31, 1993, is with SFO Shuttle Bus Company. The contracted service cost used for the purpose of this analysis is the estimated contract cost for fiscal year 1992-93.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

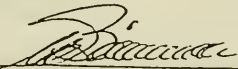
CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department SFIA-Operations

Contract Services SFO Shuttle Bus Service

For the term starting approximately July 1, 1992 through June 30, 1993

- 1) Who performed services prior to contracting out? With the construction of Remote Parking Facility in 1975, shuttle bus service was initiated by contract. Prior to 1975, the area was utilized as a small parking lot for SFIA employee parking. An employee van service was provided by Airport Parking Management (APM).
- 2) Number of City employees laid off as a result of contracting out?  
None (See #1)
- 3) Explain disposition of employees if they were not laid off.  
N/A (See #1)
- 4) What percent of a City employee's time is spent on services to be contracted out?  
N/A (See #1)
- 5) How long have the services been contracted out?  
Since 1975
- 6) When was the first fiscal year for a Proposition J certification?  
Fiscal Year 1984-1985
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
Although this contract was not awarded to a MBE/WBE firm in 1983, it must adhere to the City's non-discrimination ordinance of Chapters 12B and 12C of the San Francisco Administrative Code.

  
\_\_\_\_\_  
Department Representative  
Duke Briscoe, Deputy Director-Operations  
876-2112  
\_\_\_\_\_  
Telephone

Item 1c - File 38-92-8

**Department:** San Francisco Public Library

**Item:** Resolution accepting a cash gift to the San Francisco Public Library from the Library Foundation of San Francisco for design fees associated with carpeting, book stacks and other elements of the new Main Library.

**Amount:** \$823,012

**Description:** Funding for the construction of the new Main Library is provided by the proceeds of General Obligation bonds under Proposition A, approved by the voters in 1988. Legal restrictions on the use of bond proceeds does not allow the use of these funds on items such as interior design or furnishings for the new Main Library. The Library Foundation of San Francisco, a non-profit organization, has offered to provide funds to the San Francisco Public Library in the amount of \$823,012 to pay for costs associated with carpeting, book stacks and other elements of the new Main Library.

**Comments:**

1. Ms. Kathy Page of the Public Library reports that \$719,103 of these funds would be used for design fees for the interior design work related to furnishings for the new Main Library, and \$103,909 would be used for existing City personnel oversight and administration of the design contract. Ms. Page indicates that the interior design work would be done by the two existing architects for the new Main Library, Pei, Cobb, Freed and Partners/Simon, Martin, Vegue, Winkelstein and Moris. Simon, Martin, Vegue, Winkelstein, is a women-owned firm but is not a City-certified WBE firm because they are not considered economically disadvantaged.
2. Mr. Russ Abel of the Department of Public Work's (DPW) Bureau of Architecture reports that the \$103,909 budgeted for City personnel oversight and administration of the design contract would be used for existing bond-funded personnel in the DPW's Bureau of Architecture and the Public Library.
3. Ms. Page reports that the Library Foundation of San Francisco has provided these funds as a result of fundraising. Ms. Page states that the Controller would certify these funds on an ongoing basis pending approval of the proposed resolution from the Board of Supervisors to accept the proposed \$823,012.



4. According to Ms. Page, the above-listed \$719,103 in funds would only include design fees, and would not include furnishings. Ms. Page reports that the furnishings would be donated by the Foundation and would be subject to future acceptance by the Board of Supervisors. Ms. Page estimates that the furnishings for the entire new Main Library would be approximately \$5 million. The furnishings which the architect would provide interior design services for are as follows:

- Chalk, tack and bulletin boards;
- Security system;
- Relocation of the Pioneer Monument;
- Casework;
- Mechanical Window Shades and Blinds;
- Lockers;
- Mechanical Library Stacks;
- Carpet

5. Ms. Page reports that of the above-listed furnishings, the security system and the mechanical window shades & blinds may require additional, special maintenance costs which cannot be specified at this time. However, Ms. Page notes that the Public Library anticipates that there would also be some cost-savings for maintenance of the new Main Library in other areas which would offset any special maintenance which may be required for the security system and the mechanical window shades and blinds. The Public Library, which is primarily funded through the General Fund, would be responsible for the ongoing maintenance of the new Main Library. However, as previously noted the acceptance by the City of these future donated furnishings from the Foundation will be subject to separate legislative approval by the Board of Supervisors.

6. Mr. Abel reports that the Pioneer Monument is likely to be relocated to Fulton Street, between Larkin Street and Hyde Street. According to Mr. Abel, the total cost for relocating the Pioneer Statue is estimated at \$750,000, and would be funded through Foundation funds. A portion of the total estimated \$750,000 would be funded with monies available from the proposed resolution for related design costs. Mr. Abel anticipates that the Arts Commission would vote on the proposed relocation site on March 31, 1992.

7. Ms. Page indicates that the interior design work would be completed prior to construction of the new Main Library, by approximately November, 1992.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Items 1d, 1e, and 1f - Files 38-92-9, 38-92-10 and 38-92-11

**Department:** Department of Public Health (DPH),  
Laguna Honda Hospital (LHH)

**Items:** The proposed resolution (File 38-92-9) would authorize the acceptance of a cash gift of \$8,351 from the Visiting Nurses and Hospice for patient services at Laguna Honda Hospital.

The proposed resolution (File 38-92-10) would authorize the acceptance of a cash gift of \$15,600 from the estate of Anna A. Seebe for patient activities at Laguna Honda Hospital.

The proposed resolution (File 38-92-11) would authorize the acceptance of a cash gift of \$30,000 from the estate of Henry Picard for patient activities at Laguna Honda Hospital.

<b>Amounts:</b>	\$8,351
	15,600
	<u>30,000</u>
<b>Total</b>	\$53,951

**Description:** Mr. Evan Chan of LHH reports that the LHH would use the cash donations totalling \$53,951 to fund supplemental patient activities and services and not to supplant LHH's operating budget. According to Mr. Chan, LHH would expend these funds on such patient activities as sporting events (i.e., 49er games), lunch outings (restaurants, picnics), concerts, bus trips and other types of entertainment. Additionally, the monies would be used to purchase entertainment equipment (i.e., televisions).

**Comments:** 1. It should be noted that once the expenditure of these funds are accepted by the Board of Supervisors, these donations are deposited to LHH's Gift Fund for Patient Services and are authorized for expenditure by the head of the Department.

2. Mr. Jack Brooks of the LHH Accounting Office advises that the cash donations totalling \$53,951 have already been deposited to the LHH Gift Fund. As such, the proposed resolution should be amended to authorize the acceptance of the cash gifts retroactively. Mr. Brooks reports that including these donations of \$53,951, LHH's Cash Gift Fund for Patient Services currently has a balance of approximately \$1.3 million (including interest).

**Recommendation:** Amend the proposed resolutions to authorize the acceptance of the cash gifts retroactively and approve the proposed resolutions as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1g - File 146-92-16

**Department:** Department of Public Health,  
Community Public Health Services,  
Bureau of Epidemiology and Disease Control

**Item:** Resolution authorizing the Department of Public Health to accept and expend a new State grant of \$510,628, including indirect costs of \$35,666 (20% of salaries) from the State Department of Health Services for a Hepatitis B Immunization Demonstration Project.

**Grant Amount:** \$510,628

**Grant Period:** March 1, 1992 to December 31, 1992 (See Comment #1).

**Source of Funds:** California Department of Health Services

**Project:** Universal Infant Hepatitis B Immunization Demonstration Project

**Description:** The Hepatitis B Immunization Demonstration Project is intended to demonstrate the efficacy of three types of intervention strategies which will form the basis of efforts by the Department of Public Health (DPH) to eliminate the transmission of Hepatitis B in San Francisco. The program will augment existing perinatal Hepatitis B prevention programs which identify pregnant women who carry Hepatitis B and provide appropriate prophylaxis to these women, their children, and members of their households.

The Demonstration Project will add three new components to DPH's Hepatitis B prevention efforts:

Program A: To assure the immunization against Hepatitis B of all infants (approximately 14,000) born in San Francisco each year;

Program B: To provide Hepatitis B and measles vaccine to approximately 50 percent of all 6th grade students in the San Francisco public schools; and,

Program C: To provide Hepatitis B vaccine to private clinicians and public health clinics in order to immunize children under the age of seven in families at high-risk of Hepatitis B.

The Demonstration Project is expected to be a three year program. A new grant application will be proposed for program expenses beginning January 1, 1993, when the proposed grant is completed on December 31, 1992, with subsequent applications for additional funding to be made thereafter.

**Project Budget:**

<u>Personnel</u>	<u>FTE</u>	
Project Director	.67	\$35,584
Administrative Assistant	.67	26,720
Health Educator	.67	34,320
Sr. Data Entry Operator	.67	19,120
Health Worker II	.67	19,416
Secretary II	.67	22,176
Sr. Clerk Typist	.67	20,056
Epidemiologist (40 hours)	<u>.02</u>	<u>938</u>
Total Salaries		178,330
Fringe Benefits (27%)		<u>48,149</u>
 Total Personnel	 4.71	 \$226,479
 <u>Operating Expenses</u>		
Office Furniture		5,000
Office Supplies		2,500
Clinic Supplies		1,500
Computer Equipment (two personal computers and one laser printer)		6,000
Refrigerators (2)		6,000
Health Education Materials (including translations)		20,000
Travel		4,500
Rent (8 months)		9,750
Telephones		<u>5,600</u>
 Total Operating Expenses (exclusive of contractual services)		 60,850
 <u>Contractual Services</u>		
Media Relations/Outreach		25,000
Evaluation		18,000
Hospital Participation		100,000
S.F. Unified School District		
School Nurse - (.50 FTE)	\$21,498	
Health Worker - (.50 FTE)	14,562	
Fringe Benefits (21 percent)	7,573	
Travel	500	
Office Supplies	<u>500</u>	
SFUSD Subtotal		<u>44,633</u>
 Total Contractual Services		 <u>187,633</u>

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**BUDGET ANALYST**

Total Direct Costs	\$474,962
Indirect Costs (20% of salaries excluding fringe benefits))	<u>35,666</u>
Total Grant Budget	\$510,628

**Required Match:** None

**No. of Persons  
to be Served:**

The Demonstration Project will attempt to vaccinate approximately 14,000 newborn infants, 2,378 6th grade students, and 1,000 children in high-risk families (a total of 17,378 children) against Hepatitis B.

**Indirect Costs:** \$35,666 in indirect costs (20 percent of salaries).

**Comments:**

1. As noted above, the proposed grant period began on March 1, 1992. However, Mr. Carlos Rendon reports that the DPH has not yet received the grant funds, but anticipates receiving the proposed grant funds by May 1, 1991. Mr. Rendon adds that any grant funds which are not spent by the DPH by December 31, 1992 would return to the State.

2. The \$226,479 budgeted for personnel costs would be used to fund new positions in the DPH. Mr. Carlos Rendon of the DPH reports that none of these positions have yet been filled, but anticipates that the positions would be filled by June, 1992 or July, 1992. Mr. Rendon indicates that these positions have not yet been classified by the Civil Service Commission. Mr. Rendon also reports that if the proposed grant funds are reduced or terminated, then the positions would be similarly reduced or terminated. As noted, any grant funds which are not spent by the DPH by December 31, 1992 would return to the State.

3. \$5,000 has been budgeted for office furniture for eight project staff, \$2,500 has been budgeted for office supplies, and \$1,500 for clinic supplies for the school-based immunization program.

4. The \$12,000 budgeted for equipment would be used for computer equipment totaling \$6,000 for two personal computers, and a laser printer and two refrigerators for storage of vaccines totalling \$6,000.

5. The \$20,000 budgeted for health education materials would be used to develop information resources concerning Hepatitis B and translations of these materials into at least

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five and as many as nine languages. DPH reports that in 1990 approximately 49 percent of all births in San Francisco were to women born outside of the United States.

6. The \$25,000 budgeted for Media Relations/Outreach contractual services would be used to augment the printed health education materials, to include advertisements in newspapers and periodicals and other types of media outreach. These activities will be undertaken in addition to the use of publicly supported information resources, such as public service announcement broadcasts. However, Mr. Rendon indicates that the contractor has not yet been selected, but anticipates that the contract for these services will be awarded through a Request for Proposal process to begin in June or July 1992. Therefore, the \$25,000 budgeted for Media Relations/Outreach should be reserved pending determination of the MBE/WBE status of the contractors, determination of cost and submission of a Disability Access Checklist.

7. The \$18,000 budgeted for an Evaluation component would be used to evaluate of the effectiveness of the Demonstration Project. DPH reports that basic evaluations of the immunization data will be performed by the staff epidemiologist, but that more extensive evaluations, estimated to cost \$18,000, will also be performed which will require either additional staff time or the services of an outside consultant. DPH indicates that the strategy for the evaluation component has not yet been determined, but that it will consist of efforts to determine reasons for non-completion of the vaccination series by targeted groups. This could involve incentive analysis of hospital records, development of interview protocol, and parental focus groups. However, Mr. Rendon indicates that the contractor has not yet been selected, but anticipates that the contract for these services will be awarded through a Request for Proposal process to begin in June or July 1992. Therefore, the \$18,000 budgeted for an Evaluation consultant should be reserved pending the determination of MBE/WBE status of the contractors, finalized cost details and submission of a Disability Access Checklist.

8. The \$100,000 budgeted for Hospital Participation would be either be a contract to local hospitals to participate in the Hepatitis B prevention program or done through additional grant-funded DPH personnel. Mr. Rendon indicates that an advisory committee made up of representatives from the six birthing hospitals in San Francisco would determine whether hospital personnel would provide these services or whether additional grant-funded DPH personnel would

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perform prevention services in local hospitals. Therefore, the \$100,000 budgeted for Hospital Participation should be reserved pending a determination as to whether hospital personnel would provide these services or whether additional grant-funded DPH personnel would perform prevention services in local hospitals.

9. Contractual services also include \$44,633 to be provided to the San Francisco Unified School District through a work order for a program to vaccinate 6th grade students against Hepatitis B. The proposed expenditure includes funds for a School Health Nurse and a Health Worker, as well as for travel expenses among five school sites and supplies.

10. The \$4,500 budgeted for travel includes out-of-State travel by a project representative to attend meetings with officials at the Centers for Disease Control, and local travel by project staff to coordinate activities at a number of sites and to deliver vaccines.

11. The \$9,750 budgeted for rental expense would be used over eight months or approximately \$1,219 per month, at 1360 Mission Street. This amount will be used to expand existing rental space which now houses other DPH health education staff. Telephones will be installed in the new location, involving fixed, one-time costs of \$2,600, and telephone charges of approximately \$375 for the eight months for the 8 new lines.

12. The Disability Access Checklist for the DPH is in the file.

13. Attached is the "Summary of Grant Request."

**Recommendations:** 1. Amend the proposed resolution to reserve a total of \$143,000 for the following:

- \$25,000 budgeted for Media Relations/Outreach pending the MBE/WBE status of the contractors, finalized cost details and the submission of a Disability Access Checklist;

- \$18,000 budgeted for an Evaluation consultant pending the MBE/WBE status of the contractors, finalized cost details and the submission of a Disability Access Checklist;

- \$100,000 budgeted for Hospital Participation pending a determination as to whether hospital personnel would provide these services or whether additional grant-funded DPH personnel would perform prevention services in local hospitals.

2. Approve the proposed resolution as amended.

Item No.                      Health Commission - Summary of Grant Request

Grantor State Dept of Health Services Division Community Public Health Services  
 Contact Person Les Burd Section Epidemiology & Disease Control  
 Address 2151 Berkeley Way Contact Person Carlos Rendon  
Berkeley, CA 94704 Telephone 554-2832  
 Amount Requested \$ 510,628 Application Deadline March 1, 1992  
 Term: From 3/1/92 To 12/31/92 Notification Expected April 15, 1992  
 Health Commission N/A Board of Supervisors: Finance Committee Feb 19, 1992  
Full Board

I. Item Description: Request to (application) accept and expend a new DEMONSTRATION (EXERCISES)  
 (Circle appropriate words) grant in the amount of \$ 510,628 from the period of 3/1/92 to 12/31/92  
 to provide a Universal Infant Hepatitis B Immunization services.

II. Summary: (Concise summary of objectives, activities, and provisions) Demonstration Project  
 These are new funds to support the UNIVERSAL INFANT HEPATITIS B IMMUNIZATION DEMONSTRATION PROJECT. The project components are: a program to assure the immunization, for hepatitis B, of all infants born in San Francisco; a program to provide hepatitis B immunization to 6th graders in SF Unified Schools; and the provision of hepatitis B vaccine to a sample of private clinicians and public health clinics for immunizing children under 7 in families at high risk of hepatitis B.

## III. Outcomes/Objectives:

Elimination of hepatitis B in San Francisco if these immunization practices continued after the demonstration project is completed.

## IV. Effects of Reduction or Termination of These Funds:

This demonstration project is intended to serve as a model for universal infant immunization of hepatitis B nationwide.

## V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Part Year/Orig.	Proposed	Change		
Grant Amount	N/A	N/A	510,628	N/A		
Personnel			226,479			
Equipment			12,000			
Contract Svc.			187,633			
Mat. & Supp.			29,000			
Facilities/Space			15,320			
Other			4,530			
Indirect Costs			35,666			

## VI. Data Processing

(See attached sheet)

## VII. Personnel

	F/T CSC	P/T CSC	Contractual
	7	1	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

No (3 year project)

VIII. Contractual Services: Open Bid                      Sole Source X (If more than one, attach separate bid statements for each)



Item 1h - File 146-92-17

**Department:** Department of Public Health (DPH)  
Central Administration

**Item:** Resolution authorizing the Department of Public Health, Central Administration, in collaboration with the State Department of Mental Health, as primary grantee, to accept and expend a grant augmentation of \$158,408, which includes indirect costs in the amount of \$7,819 based on nine percent of personnel and office supplies, from the Robert Wood Johnson Foundation for the provision of a system of care for children and youth who are seriously emotionally disturbed and their families.

**Grant Amount:** \$158,408

**Grant Period:** August 1, 1990 to July 31, 1992

**Source of Funds:** Robert Wood Johnson Foundation

**Project:** Family Mosaic Project

**Description:** The Family Mosaic Project is a four-year effort to develop an interagency system of care for children and youth with serious emotional problems who are at risk of out-of-home placement or currently are in out-of-home placement. The DPH previously received a grant of \$1,620,000 for the Family Mosaic Project in 1990 (File 146-90-62; Resolution No. 713-90). Since that time, the State Department of Mental Health (DMS) and the Robert Wood Johnson Foundation have determined that additional funds are needed in San Francisco to develop a structure to receive, disburse, and monitor on-going funding through MediCal for the Family Mosaic Project. The Project is completing the first two-year phase of program implementation which would provide a preliminary analysis of services and costs to date by June, 1992.

<b>Budget:</b>	<u>Personnel</u>	<u>FTE</u>	
	Clerk Typist	.50	\$13,520
	Data Entry Clerk	.50	12,500
	Quality Assurance		
	Registered Nurse	<u>.75</u>	<u>37,500</u>
	Total Salaries		\$63,520
	Fringe Benefits at 26 percent		<u>16,515</u>
	Total Personnel	1.75	\$80,035

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<u>Contractual Services</u>	
Community Support Services	\$8,720
School-Based Support Services	<u>35,494</u>
Total Contractual Services	\$44,214
<u>Office Supplies</u>	6,840
<u>Consultant Honoraria</u>	19,500
<u>Indirect Costs</u> at 9 percent of personnel and office supplies	<u>7,819</u>
TOTAL	\$158,408

**Required Match:** None

**No. of Persons Served:** The entire grant would serve 200 children and their families, or approximately 600 individuals

**Indirect Costs:** \$7,819, based on nine percent of salaries and office supplies

**Comments:** 1. According to the DPH, if grant funding were reduced or terminated, personnel are anticipated to be funded through MediCal and AB 377 State funds. If such funds were not available, personnel would be reduced or terminated accordingly. The proposed grant would support an additional 1.75 FTEs.

2. According to the proposed resolution, indirect costs would equal \$7,819, based on nine percent of personnel and other allowable costs. Allowable costs, besides personnel, would include Office Supplies. Thus, indirect costs are based on personnel, at \$80,035, and Office Supplies, at \$6,840, for a total of \$86,875.

3. According to Ms. Joanna Uribe of the DPH, no contractor has been selected for Contractual Services, at \$44,214. Ms. Uribe reports that a contractor would be selected this summer using a competitive bid process. Therefore, \$44,214 should be reserved pending selection of a contractor and information regarding the hours, rates, and MBE/WBE status of the contractor. The Consultant Honoraria, at \$19,500, include actuarial services which are mandated by the funder, with consultants selected by the funder, Ms. Uribe advises.

3. The DPH has prepared a Disability Access Checklist, which is in the file.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. A Summary of Grant Request form, as prepared by the Department, is attached.

**Recommendations:** Reserve \$44,214 pending selection of a contractor and information regarding the hours, rates, and MBE/WBE status of the contractor and approve, as amended.

State Department of Mental Health  
Grantor: Robert Wood Johnson Foundation  
Contact Person: Gary Matthies  
Address: 1600 Ninth St., Rm 250  
Sacramento, Calif. 95814  
Amount Requested: \$ 158,408  
Term: From 8/1/90 To 7/31/92  
Health Commission: \_\_\_\_\_ Board of Supervisors: Finance Committee: \_\_\_\_\_  
Full Board: \_\_\_\_\_

Division: Department of Public Health  
Section: Central Administration  
Contact Person: Joanna Uribe, MPH  
Telephone: (415) 206-7604  
Application Deadline: None  
Notification Expected: received

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$ 158,408 from the period of 8/1/90 to 7/31/92 to provide a system of care for children and youth with serious emotional problems.  
(Circle appropriate words)

II. Summary: (Concise summary of statement; number of people served; services and provision)

In collaboration with State Department of Mental Health, create an interagency system of care for children & youth with serious emotional disturbances & their families to include collaboration among SFUSD, Juvenile Probation, DSS & DMSF to minimize fragmentation & inappropriate care. The two year project will serve 650 children, ages 3-18 years, with culturally competent services via and contract services.

### III. Outcomes/Objectives:

Reduction in out-of-home placements for target population.

Increased stabilization in settings that are least restrictive for children out-of-home.

Decrease in costs of care for target population through integrated case management services.

### IV. Effects of Reduction or Termination of These Funds:

San Francisco will not be able to develop & provide more cost effective interventions compared to current expensive out-of-home and out-of-county placements. Target populations will continue to receive inadequate and fragmented services.

### V. Financial Information:

	Col. A	Col. B	with Augmentation Col. C	Augmentation Amount Col. D	Rec. Match	Approved by
	Two Years Ago	First Year/Orig.	Proposed	Change		
Grant Amount		1,620,000	1,778,408	158,408		
Personnel		400,990	481,025	80,035		
Equipment		31,408				
Contract Svc.		1,064,487	1,108,701	44,214		
Mat. & Supp.		66,800	73,640	6,840		
Facilities/Space						
Other		34,871	54,371	19,500		
Indirect Costs		21,446	29,265	7,819		

### VI. Data Processing

(Leave included above)

289,588

### VII. Personnel

F/T CSC	6	7	1
P/T CSC	3	5	2
Contractual	5		

Sources(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
Medical, General fund

Will grant funded employees be retained after this grant terminates? If so, How?

Yes w/funding generated through Medi-Cal Capitation and through AB377 State Funds

VIII. Contractual Services: Open Bid ☒ Solic Source: \_\_\_\_\_ (If more sources, attach separate for each source)

Item 1i - File 146-92-18

**Department:** Department of Public Health (DPH)  
Division of Mental Health and Substance Abuse

**Item:** Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse, to apply for a grant of \$25,000, which includes indirect costs in the amount of \$1,190, based on approximately five percent of the total award of \$25,000, from the Department of Developmental Disabilities for socialization groups for Asian developmentally disabled children.

**Grant Amount:** \$25,000

**Application Deadline:** April 6, 1992

**Source of Funds:** State Department of Developmental Disabilities

**Project:** Play Groups for Developmentally Disabled Asian Children

**Description:** The proposed grant would provide specialized play groups to young Asian children with mental disabilities and diagnosable mental disorders. The Program's goal would be to improve social competency in school of at least 75 percent for the Program's participants, and at home for at least 65 percent of the Program's participants. A play group is a therapy group including a therapist, a co-therapist, and a group of children aged five to ten which involves both structured and spontaneous play.

**Budget:** The Department plans to hire a half time social worker with the proposed grant. A specific project budget would be provided when the Department requests authorization to accept and expend the proposed grant.

**Required Match:** None

**No. of Persons Served:** 12 children (two groups of six children)

**Indirect Costs:** \$1,190, based on approximately five percent of the total grant amount

**Comments:** 1. According to the DPH, if grant funding were reduced or terminated, personnel would be reduced or terminated accordingly, unless other grant support could be located.

BOARD OF SUPERVISORS  
BUDGET ANALYST

Memo to Finance Committee  
March 25, 1992

2. The DPH has prepared a Disability Access Checklist, which is in the file.
3. A Summary of Grant Request form, as prepared by the Department, is attached.

**Recommendations:** Approve the proposed resolution.

Grantor Dept. of Developmental Disabilities

Contact Person \_\_\_\_\_

Address \_\_\_\_\_

Division Mental Health & Substance AbuseSection Child, Adolescent & FamilyContact Person Sai-ling Chan-sew, L.C.S.W.Telephone (415)-392-4453Application Deadline April 6, 1992Notification Expected May 1, 1992Amount Requested \$25,000Term: From July 1, 1992 To June 30, 1993Health Commission N/A Board of Supervisors: Finance Committee March 25, 1992Full Board March 30, 1992

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$25,000 from the period of 7/1/92 to 6/30/93 to provide child socialization groups to the residents of San Francisco 224-1000

II. Summary: (Concise summary of objectives, needs, goals, services and provisions)

Provide specialized play groups to young Asian children who are both developmentally delayed and have mental health problems.

III. Outcomes/Objectives: A. To identify dually diagnosed (DD/MD) Asian children in need of improvement in social skills. B. To improve social competency in their school environment for at least 75% of the project's participants. C. To improve social competency at home for at least 65% of the project's participants.

IV. Effects of Reduction or Termination of These Funds:

Groups to serve twelve (12) dually diagnosed children will not be offered.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	- 0 -	- 0 -	25,000	+25,000	None	
Personnel	- 0 -	- 0 -	23,810	+23,810	None	
Equipment						
Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs	- 0 -	- 0 -	1,190	+ 1,190		

VI. Direct Processing

(Leave included above)

VII. Personnel

F/T CSC					
P/T CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

No, unless revenue generation through third parties supports positions.

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposals Form)





Item 1j - File 146-92-19

**Department:** Department of Public Health (DPH)  
Community Public Health Services

**Item:** Resolution authorizing the Department of Public Health, Community Public Health Services, Sexually Transmitted Disease (STD) Division, to apply for a grant of \$250,000, which includes indirect costs in the amount of \$25,000 based on 10 percent of the total award, from the Centers for Disease Control for development of a computer based quality assurance system for STD Clinic Medical Records

**Grant Amount:** \$250,000

**Application Deadline:** April 1, 1992

**Source of Funds:** Centers for Disease Control

**Project** Computer-based Clinic Quality Assurance Project

**Description:** The proposed grant would fund the design, development and implementation or improvement of a computer-based medical records systems in the City's STD clinic. The computer system would enhance training at the STD Prevention/Training Center. Funds would be used to support software development and necessary equipment. Activities in the project would include purchasing computer hardware, contracting for software development, pilot testing of software, and meeting with the funder at various stages of the Project to ensure that the product being developed can be applied for use at other STD Prevention/Training Centers in the United States.

**Budget:** To be provided when the DPH requests authorization to accept and expend the proposed grant

**Required Match:** None

**No. of Persons Served:** Clients of the City's STD Clinic

**Indirect Costs:** \$25,000, or ten percent of the total grant

**Comments:** 1. The proposed grant would be a one-time, one-year grant. Ms. Wendy Wolf of the DPH reports that the Community Public Health Service already maintains a database of medical records for its clients, but the proposed grant would develop improved recordkeeping that could be generalized to

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other health care agencies. Changes in the software and hardware would not increase the maintenance costs for the Community Public Health Service's computer system, and DPH employees already input into a medical records database, Ms. Wolf advises. Therefore, once the hardware was in place and the software written, no further funds would be necessary to continue the Project.

2. The proposed grant would support no additional staff positions.

3. The DPH has prepared a Disability Access Checklist, which is in the file.

4. The DPH will provide a Summary of Grant Request form when it requests authorization to accept and expend the proposed grant.

**Recommendation:** Approve the proposed resolution.

Item 1k - File 146-92-20

**Department:** Department of Public Health (DPH)  
Family Health Bureau

**Item:** Resolution authorizing the Department of Public Health to apply for new grants totalling \$142,385, and waiving indirect costs (the grantors are private foundations that do not allow indirect costs) to fund the estimated costs of the Partner Support Program (PSP) at Balboa High School Teen Health Center.

**Grant Amount:** \$128,885 (revised estimated cost of the program)

**Sources of Funds:** DPH proposes applying for grant funding from four private foundations, the Walter and Elise Haas Foundation, the San Francisco Foundation, the Kaiser Foundation and the Stuart Foundation. To date, only the San Francisco Foundation has indicated a maximum amount (\$25,000) of funding available for the program.

**Grant Period:** One year, as soon as funding is secured

**Description:** The Balboa High School Teen Health Center's Partner Support Program (PSP) will increase awareness of postponement of sexual activity as an option for teenagers through an individualized decision-making process employing active partner support. Health educators will assist teens in determining where they perceive themselves to be in their sexual decision-making and in identifying an appropriate partner who can provide on-going support for their decisions. Exercises and lesson plans have been developed to clarify, support and reinforce effective decision-making on sexual activity. Case managers will facilitate follow-up sessions to help teens with their issues concerning sexuality and with other problems and concerns. The PSP is accessible to teens, includes both male and female adolescents and a partner of choice, and has a mechanism to determine which teens are sexual risk-takers. The PSP's plan for on-going and regular follow-up throughout the school year will allow clinic staff to monitor the teens' compliance with birth control, including condom use on a consistent basis. The proposed PSP would serve 40 to 50 teens and their chosen partners.

The preliminary cost estimate for the PSP is as follows:

Nurse Practitioner (0.5 FTE)	\$25,500
Fringe Benefits	6,885
Operating Expenses	2,000
Equipment	1,000
Educational Materials	<u>1,000</u>

Subtotal-DPH Costs	\$36,385
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Contractual Services:

Clinical Services

Project Coord./Health Educ.(1.0 FTE)	\$30,000
Case Manager (1.0 FTE)	25,000

Program Support

Health Services Worker (0.5 FTE)	8,000
Secretary (0.25 FTE)	4,500

<u>Program Evaluation and Consultation</u>	25,000
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The PSP will be evaluated to determine if this new concept for the prevention of unwanted pregnancies and sexually transmitted diseases has been successful and warrants continuation/expansion and to provide statistical and cost details for use in obtaining future grant funding for the program.

Subtotal-Contractual Services	<u>92,500</u>
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Total Estimated Program Cost	\$128,885
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**Required Match:** Unknown at this time. DPH will provide details of any required matches when DPH requests Board of Supervisors approval to accept and expend grant funds.

**Comments:** 1. According to Mr. Jacob Moody of DPH, a pilot PSP has been operated at the Balboa High School Teen Health Center since September, 1991, using a reallocation of existing funding. The limited pilot program has provided services to ten teenagers and their chosen partners.

2. The San Francisco Unified School District has approved the pilot PSP in principle and will reconsider the proposed PSP when funding has been secured.

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3. The DPH reports that if less than \$128,885 in grant funding is finally awarded for the proposed PSP, the PSP will be scaled back to the amount actually awarded, with a corresponding reduction in the number of teens that would be served. In no case would DPH seek supplemental General Fund monies to fund the proposed PSP.

4. Since the current estimated cost of this program is \$128,885, the proposed resolution should be amended to reflect an application for new grants totalling \$128,885 not \$142,385 as is currently stated.

5. The DPH indicates that the proposed contractual services will be obtained through a competitive bidding process and that details regarding the MBE/WBE status of the contractors and the hours and hourly rates for the Program Evaluation and Consultation contract will be specified when the DPH requests Board of Supervisors approval to accept and expend the grant funds. If the MBE/WBE status, hours and hourly rates are not available when DPH requests approval to accept and expend grant funds, the amounts budgeted for Contractual Services should be reserved until such details become available.

6. A Disability Access Checklist has been prepared by the DPH and is included in the file.

**Recommendation:** Amend the proposed resolution to change the total amount of the grant to \$128,885 instead of \$142,385, and approve, as amended.





Item 11 - File 146-92-21

**Department:** Department of Public Health (DPH)  
Bureau of Toxics, Health and Safety Services

**Item:** Resolution authorizing the Department of Public Health to apply for a new grant of \$50,000, which includes indirect costs in the amount of \$5,000 based on 20 percent of salaries, from the California Department of Fish and Game.

**Grant Amount:** \$50,000

**Source of Funds:** California Department of Fish and Game, Office of Oil Spill Prevention and Response

**Grant Period:** Six months beginning when DPH receives final notification of funding from the State.

**Description:** The DPH, Bureau of Toxics, Health and Safety Services reports that the proposed grant funds would be used to draft a plan to prepare for and respond to oil spills which may impact the coastline and bayshores. The DPH advises that the plan would assist the City in coordinating oil spill response efforts with the State Department of Fish and Game and the U.S. Coast Guard, who have primary responsibility for oil spills. The plan would designate predetermined command centers and staging areas. The plan would follow the same format as the City's Area Plan for Hazardous Materials.

The DPH reports that the plan would be jointly drafted by the DPH, Bureau of Toxics, Health and Safety Services and the City's Port Regulatory and Environmental Services Section.

**Required Match:** None

**Indirect Costs:** \$5,000

**Comments:**

1. The DPH reports that a detailed budget for the expenditure of the proposed grant will be provided at the time the Department submits its request to the Board of Supervisors for authorization to accept and expend the proposed grant.
2. A Disability Access Checklist has been prepared by the DPH and is included in the file.

**Recommendation:** Approve the proposed resolution.



Item 2 - File 165-92-3

**Item:** Motion directing the Budget Analyst to conduct an analysis of the Department of Public Works' (DPW) Bureau of Architecture and Engineering regarding their staffing levels relative to the reductions of private sector opportunities.

**Description:** The American Institute of Architects (AIA) - San Francisco Chapter letter of February 12, 1992 and subsequent testimony to the Finance Committee reported on the financial downturn in the San Francisco economy, particularly as it effects local architectural and engineering firms. In contrast, according to the February 12, 1992 letter from the AIA, the AIA stated that in 1985, the DPW's "Bureau of Architecture had a staff of approximately 47 people. Today, the staff numbers 85 with allotted vacancies up to 105". According to the AIA, much of the increase was the result of numerous voter approved bond measure projects, which became the responsibility of the DPW to manage.

The proposed motion would direct the Budget Analyst to specifically conduct an analysis of DPW's Bureau of Architecture and Engineering to include the following:

- An examination of regulations regarding the use of private contractors;
- A historical review of staffing within the Bureau of Architecture and Engineering;
- The Bureau's project estimates, cost proposals, relative staffing costs and actual cost per project;
- The number and size of projects and the relative staffing per project;
- The estimated and actual length of time to complete individual projects; and
- Management and oversight responsibilities.

This review would include interviews with other City departments that have used and continue to require the services of both DPW's Architecture and Engineering Bureaus as well as private sector architectural and engineering contractors.

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In addition, this review would analyze the effectiveness and efficiency of using private sector contractors to determine whether economic opportunities are being reduced for taxpaying local businesses, including minority and women-owned businesses, creating an on-going economic burden of civil servants and ignoring the benefits of a rigorous selection process based upon qualifications, experience and cost.

**Comment:**

This audit is estimated to cost \$30,480, based on 500 hours to complete the analysis at the Budget Analyst's average hourly rate of \$60.96. However, no additional funds would be requested since this audit would be completed within the existing budget of the Office of the Budget Analyst as authorized by the Board of Supervisors.

**Recommendation:**

Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 3 - File 101-91-58

**Department:** Chief Administrative Officer

**Item:** Supplemental Appropriation Ordinance appropriating \$4,282,200 for capital improvement project (Moscone Center Expansion Project), for fiscal year 1991-92.

**Amount:** \$4,282,200

**Source of Funds:** General Fund, Reserve for Public Facilities

**Description:** The City currently imposes a Hotel Tax of 11 percent. Of the 11 percent, 1.25 percent represents a surcharge on the Hotel Tax and is placed in the Reserve for Public Facilities. The 1.25 percent Hotel Tax surcharge is used to provide funds for the construction of the Moscone Center Expansion Construction Project and to reimburse the General Fund for debt service on the \$137.6 million in lease revenue bonds sold in 1988 for the expansion of the Moscone Center.

The Reserve for Public Facilities included in the fiscal year 1991-92 Annual Appropriation Ordinance is \$7,727,275. These funds are used for the Moscone Center Expansion Project.

In January 1992, the Board of Supervisors approved an ordinance (File 170-91-15) authorizing the Redevelopment Agency to refinance a portion of the original \$137.6 million in lease revenue bonds, with the Redevelopment Agency benefiting in the amount of approximately \$3 million from this refinancing, and the remaining benefit to go to the General Fund. According to Ms. Laura Lockwood Wagner of the CAO's Office, \$6.4 million was gained through the refinancing, therefore resulting in a net benefit to the General Fund of approximately \$3.4 million.

In order to refinance the bonds, Ms. Wagner advises, the refinancing must benefit the project for which the bonds were created. Thus, the \$6.4 million gained through refinancing must be applied to the Moscone Center. Therefore, the approximate \$3.4 million to benefit the General Fund has been used to pay Moscone Center Expansion Project costs, and the amount needed from the 1.25 percent Hotel Tax surcharge has been reduced by approximately \$3.4 million, from \$7,727,275 to \$4,282,200, Ms. Wagner reports. The approximately \$3.4 million which is not needed from the FY 1991-92 Reserve for Public Facilities balance for the Moscone Center Expansion Project has been returned to the General Fund (see Comment below). Ms. Wagner reports that the



Redevelopment Agency is using its \$3 million portion of the \$6.4 million refinancing savings to improve the Yerba Buena Gardens atop the Moscone Center.

The Moscone Center Expansion Project involves a major expansion of the Moscone Center facilities to enable the City to maintain its competitive position for convention activity. The CAO estimates the total costs of the Moscone Center Expansion Construction Project, to be funded by a combination of \$137.6 million in previously issued lease revenue bonds and the annual proceeds from the 1.25 percent Hotel Tax surcharge revenues as follows:

Construction	\$185,052,318
Construction Management	7,828,373
Marriott Design and Construction	782,000
SF Redevelopment Agency Costs	715,351
CAO Administration and Facilities	
Management, Inc.	4,231,548
Architectural and Professional Svcs.	11,057,405
Title Insurance, Legal and Finance	939,078
Geotechnical Engineering, Archaeologist,	
Vibration Analysis	721,550
San Francisco Arts Commission	635,000
Utilities, Sewer and Water Alterations	<u>326,100</u>

Total Estimated Project Costs                      \$212,288,723

Mr. Jack Moerschbaecher of the Moscone Center advises that the Moscone Center Expansion Project is in the finishing stages, with heating, ventilation and air conditioning (HVAC) work, electrical work, carpeting and general finishing still to be done, at a cost of approximately \$20 million.

**Comment:** Approximately \$3.3 million of the savings resulting from the bond refinancing was applied to eliminate the projected Fiscal Year 1991-92 budget deficit.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

Item 4 - File 101-91-59

**Department:** Department of Public Health (DPH),  
San Francisco General Hospital (SFGH)

**Item:** Supplemental Appropriation Ordinance for a capital improvement project (Nuclear Medicine Program Laboratory Relocation), at San Francisco General Hospital for FY 1991-92.

**Amount:** \$380,000

**Source of Funds:** Monies paid by the University of California, San Francisco to SFGH pursuant to a lease agreement.

**Description:** The Board of Supervisors previously approved a new lease of a portion of the first floor of Building 20 at SFGH to the Regents of the University of California at San Francisco (UCSF), for an annual rent of \$76,000 (File 65-92-1). The lease stipulated that UCSF would advance payment to the City in the amount of \$380,000 in consideration for the first five years of occupancy (\$76,000 x 5 years) within 30 days of the commencement of the lease. The provision in the lease, which requires that UCSF advance to the City a single payment for five years rent, was agreed upon in order to provide funds to SFGH to relocate its Nuclear Medicine Program facility from its current location (a brick building on SFGH grounds) into the main Hospital. The Department of Real Estate reports that UCSF agreed to the advance payment because it considers relocation of the Nuclear Medicine Program facility to be a life safety issue.

Ms. Kathy Murphy of SFGH advises that the Nuclear Medicine Program, which uses radio-isotope (radioactive agents) in the performance of diagnostic tests, is currently housed in a vintage-1920s building at SFGH which is not seismically strengthened. Ms. Murphy reports that SFGH has been cited twice by State hospital accreditors for unsafe features of the current location, and that another State hospital accreditation survey is expected in October of 1992. Ms. Murphy states that if corrective actions are not taken prior to the next survey, SFGH will endanger its hospital accreditation and be at risk of losing eligibility for reimbursements under Medicare.

Ms. Murphy also advises that the plans for the relocation of the Nuclear Medicine Program facility have been in the works for several years and have been recommended by the City's Capital Improvements Advisory Committee (CIAC). However, according to Ms. Murphy, sufficient funds have not

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been appropriated to date to pay for relocating the Nuclear Medicine Program facility. Ms. Murphy notes that the \$380,000 advanced under the terms of the City's lease with UCSF will enable SFGH to meet the total estimated \$1.6 million cost of relocating the Nuclear Medicine Program facility. Total funding sources for the project would be as follows:

<u>Source</u>	<u>Amount</u>
1991-92 SFGH General Fund budget	\$571,000
Previously Appropriated State Capital Improvement Project Funds	518,000
Previously Appropriated SFGH Capital Improvement Project Funds	150,000
UCSF Proposed Advanced Rental Payment	<u>380,000 *</u>
Total	\$1,619,000

\* Subject of this request.

DPH reports that the estimated \$1,619,000 required for the relocation of the Nuclear Medicine Program facility would be expended as follows:

Construction Contract	\$1,125,277	
Human Rights Commission Review	43,477	
Contractor Overhead and Profit	<u>168,792</u>	
Construction Bid Total		\$1,337,546
State Regulatory Agency - Construction Monitoring		20,086
Bureau of Architecture - Construction Administration		32,200
Bureau of Architecture - Inspection		35,000
Architectural Consultant		109,884
Contingency (6.3 percent of Construction Bid Total)		<u>84,284</u>
Total		\$1,619,000

**Comment:** Ms. Murphy reports that relocation of the Nuclear Medicine Program facility is scheduled to commence by June 1, 1992 and the project is scheduled to be completed within six to nine months.

**Recommendation:** Approve the proposed ordinance.

Items 5 and 8 - Files 101-91-60 and 96-91-2.1

**Department:** Real Estate  
Chief Administrative Officer (CAO)

**Items:** Supplemental Appropriation request (File 101-91-60) for acquisition costs (air rights), Real Estate Department for Fiscal Year 1991-92.

Resolution (File 96-91-2.1) declaring official intent of the City and County of San Francisco to reimburse funds for the purchase of air rights from proceeds of taxable or tax-exempt indebtedness.

**Amount:** \$28,800

**Source of Funds:** Public Works Land Account

**Description:** The Society of California Pioneers owns the two-story building located at 456 McAllister Street between the City-owned buildings located at 450 and 460 McAllister Street. The Real Estate Department reports that the proposed purchase of the air rights would enable the City to construct connecting office space between the Traffic Engineering Building and the City Hall Annex, thereby providing single floors running the entire length of the four buildings (including the proposed new building), from the fourth floor and above, totalling 33,000 square feet per floor, of which 4,125 square feet is the proposed air space. The proposed office building would contain six floors and a basement, consisting of approximately 210,000 gross square feet, including approximately 190,000 square feet of net rentable office space (See Attachment).

Mr. Tony DeLucchi of the Real Estate Department reports that the proposed six story office building would allow for the expansion of some existing offices for the Department of City Planning currently located in the adjacent overcrowded City-owned City Hall Annex located at 450 McAllister. In addition, Mr. DeLucchi reports that currently in the Civic Center area the City leases approximately 350,000 square feet. Therefore, Mr. DeLucchi advises that the City could potentially save lease costs by relocating some of these offices to the proposed office building. Mr. DeLucchi estimates that the average price per square foot which the City pays for office space for Civic Center offices is approximately \$1.30 per month (\$15.60 per year). Therefore, if the City were to construct its own office building and eliminate lease space, the potential annual lease cost savings would be approximately \$3 million for the 190,000 square feet of net



rentable office space from the proposed office building. However, Mr. DeLucchi notes that this potential annual lease cost savings may be offset by some City personnel currently located in the City-owned buildings located at 450 and 460 McAllister Street (approximately 45,000 square feet) who would have to relocate to other leased quarters, as a result of the proposed office building. Therefore Mr. DeLucchi estimates that the potential annual lease cost savings would be approximately \$2.3 million, rather than approximately \$3 million for approximately 190,000 square feet of net rentable office space.

The Board of Supervisors has previously approved a resolution (File 96-91-2) authorizing the City to acquire a one-year option to purchase certain air rights from the Society of California Pioneers above their building, estimated at approximately \$360,000. In addition, the Board of Supervisors has previously approved a supplemental appropriation ordinance (File 101-90-48) appropriating \$28,800 for an option for the acquisition of these air rights which expired on December 31, 1991. At the end of this one-year period, on December 31, 1991, the City had three alternatives: 1) to not pursue the construction of the building at this site and relinquish the option on the air rights, 2) to execute an agreement with the Society of California Pioneers to purchase the air rights for \$360,000; or 3) to extend the option period for one more year at a cost of another \$28,800.

The proposed supplemental appropriation request (File 101-91-60) would provide funding to extend the option period for one more year at a cost of another \$28,800. A separate resolution (File 96-92-3) which would authorize the extension of this option period is calendared for the Finance Committee meeting of April 1, 1992. This second one-year option would allow the acquisition of air rights until December 31, 1992, would freeze the acquisition of the air rights at \$365,000 (\$360,000 purchase price plus \$5,000 escrow fees), and would allow additional time to determine the feasibility of such a project.

As noted above, the source of funds for the proposed supplemental appropriation request (File 101-91-60) would be the DPW's Land Account. The DPW's Land Account receives revenues from the sale of surplus City land. The proposed resolution (File 96-91-2.1) would declare the official intent of the City and County to reimburse the DPW's Land Account from proceeds of taxable or tax-exempt indebtedness, through financing sources which may include Certificates of Participation (COPs) or bond proceeds. COPs are proportionate interests, in the lease of the property, which

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are sold to investors. The investors would receive a return on their investment through the lease payments made by the City for the building. The proposed resolution (File 96-91-2.1) would not bind the City to make any expenditure, incur any indebtedness or proceed with the purchase of the air rights, it would only declare the intent of the City. The estimated cost of the proposed building is between \$26 to \$32 million.

**Comments:**

1. Mr. Steve Nelson of the CAO's Office reports that there are several alternatives currently being considered for development and financing of the proposed office building, including using a private developer to finance and construct the building instead of the City. A Request For Proposals (RFP) has been submitted with a March 13, 1992 deadline, and six proposals have been received. Mr. Nelson indicates that the RFP was for the entire development of the proposed office building, including construction and financing. According to Mr. Nelson, it has not been determined whether the six proposals received are complete and meet the minimum qualifications specified in the RFP. Any proposed development and supplemental appropriation request for project funding would be subject to future approval by the Board of Supervisors.

2. According to Mr. Steve Legnitto of the Real Estate Department, the Real Estate Department has not yet completed its review and evaluation of these proposals, and the extension of the purchase option until December 31, 1992 would provide enough time to complete this analysis.

3. As noted above, the proposed resolution (File 101-91-60) would not bind the City to make any expenditure, incur any indebtedness or proceed with the purchase of the air rights. This resolution (File 101-91-60) would only declare the intent of the City to reimburse the purchase of air rights from the proceeds of taxable or tax-exempt indebtedness. Also as noted above, the CAO's Office has not finalized any financing scheme for the proposed office building. However, the acquisition of the air rights is estimated at \$365,000 (\$360,000 purchase price plus \$5,000 escrow fees). In addition, the CAO's Office reports that the proposed resolution (File 96-91-2.1) would allow reimbursement of the \$28,800 option for the purchase of air rights from any indebtedness if the City decides to finance a new office building. As noted, the source of funds for the proposed ordinance (File 101-91-60) would be the DPW's Land Account, which receives revenues from the sale of surplus City land. Mr. Fred Weiner of the CAO's Office reports that it is not clear whether there would be sufficient funds available in the DPW's Land Account to purchase the air rights estimated at \$365,000 (\$360,000



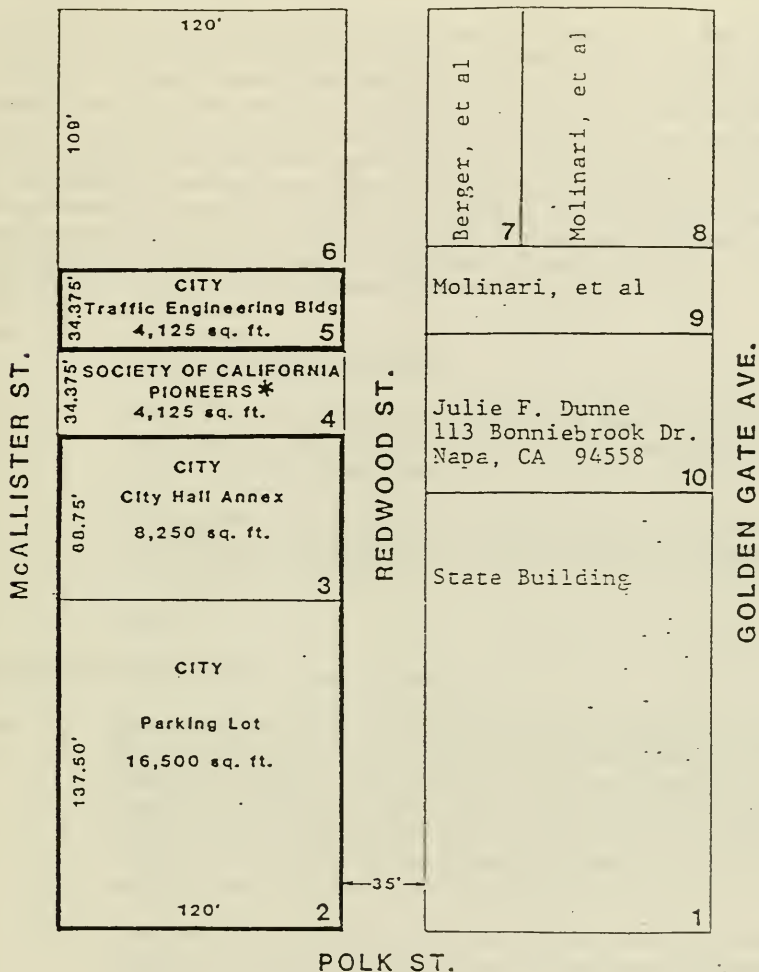
purchase price plus \$5,000 escrow fees), but this fund may be a source of funds for the purchase rather than having to issue debt. Mr. Weiner also reports that if COPs are issued, the reimbursement to the DPW's Land Account would be through lease payments through budgeted funds from City Departments which may be partially funded paid by the General Fund, depending on which departments locate in the proposed office building. Therefore, the proposed resolution (File 96-91-2.1) would declare the intent of the City to reimburse the DPW's Land Account with bond proceeds, funded entirely through the General Fund or with COPs which would be at least partially through the General Fund.

4. The Real Estate Department reports that the proposed option payment of \$28,800 (eight percent of the \$360,000 purchase price for the air rights), which the proposed ordinance would fund (File 101-91-60) represents the fair market value.

**Recommendations:** Approval of the proposed supplemental appropriation ordinance (File 101-91-60) which would fund the purchase of a second option for the future acquisition of air rights over 456 McAllister Street, in conjunction with the construction of a new City office building is a policy matter for the Board of Supervisors.

Approval of the proposed resolution (File 96-91-2.1), which would declare the official intent of the City to reimburse funds for the purchase of air rights from proceeds of taxable or tax-exempt indebtedness, is a policy matter for the Board of Supervisors.

VAN NESS AVE.



## SITE MAP

BLOCK 766, LOTS 2, 3, 4, & 5

—	PROPERTY OWNED IN FEE BY CITY	28,875 sq. ft.
*	PROPOSED AIR RIGHTS ACQUISITION	<u>4,125</u>
	TOTAL AREA	33,000 sq. ft.



Items 6 and 7 - Files 102-91-12 and 101-91-29

**Note:** These items were continued by the Finance Committee at its meeting of December 18, 1991. Ms. Adelle Foley of the Mayor's Office reports that a proposal is being drafted whereby the Juvenile Justice Commission Ombudsman Program would be budgeted in the District Attorney Family Support Division without the use of additional General Fund monies by reappropriating the needed funds from the 1991-92 Family Support Division budget. However, as of the writing of this report the cost details of this proposal have not been finalized and substitute legislation has not yet been prepared. Ms Foley indicates that the Ombudsman program is not included in the San Francisco Children's Fund established under Proposition J approved by the electorate in November, 1991.

**Department:** Superior Court  
Juvenile Justice Commission

**Items:** Ordinance (File 102-91-12) to amend the fiscal year 1991-92 Annual Salary Ordinance to create one new position for the Juvenile Justice Commission.

Supplemental Appropriation Ordinance (File 101-91-29) to fund the proposed new position and operating costs related to the proposed new position.

**Amount:** \$18,666

**Source of Funds:** General Fund - General Reserve

**Description:** The proposed ordinance (File 102-91-12) to amend the Annual Salary Ordinance would create one new 0589 N Court Assistant, Superior Court position with a biweekly salary range of \$1,443 to \$1,666 and a top step annual salary of \$43,649. The proposed new position would be hired effective December 31, 1991 at Step One but would work and be budgeted at three-quarters time (30 hours per week).

The proposed supplemental appropriation ordinance would fund the proposed new position and related operating costs as follows:

Personnel Costs

Permanent Salaries - Miscellaneous	\$14,178
Mandatory Fringe Benefits (20%)	<u>2,836</u>
Total - Personnel Costs	\$17,014

Operating Costs

Travel	\$413
Training	113
Other Services	901
Materials and Supplies	<u>225</u>
Total - Operating Costs	\$1,652

Total Requested Supplemental Appropriation	\$18,666
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Mr. Michael Fuller, Director of the Juvenile Justice Commission, indicates that the Office of Ombudsman (Ombudsman) to the Juvenile Justice Commission was funded by a Tidelands Grant in fiscal year 1990-91. The Ombudsman program was to have been privately funded for the first two years (1990-91 and 1991-92) but due to the poor economy, private funding for 1991-92 has not been secured. Therefore, the proposed legislation would create a new position to act as the Juvenile Justice Ombudsman and would provide City (General Fund) funding for the new position and Office of Ombudsman operations from December 31, 1991 through June 30, 1992. The Ombudsman position would be a three-quarter time position (30 hours per week).

The Ombudsman provides the public with a supportive and independent means to raise concerns, complaints and grievances concerning Youth Guidance Center operations and treatments. According to Mr. Fuller, the independence of the Office of Ombudsman is utilized by youth and others who might be distrustful of the authorities and officials involved. The Ombudsman explains the available procedures to resolve concerns, complaints and grievances and offers assistance in the use of those procedures. The Ombudsman monitors the progress of efforts to satisfactorily resolve concerns, complaints and grievances in a prompt, thorough and easily understood manner. The Ombudsman also reviews the Youth Guidance Center's operating and treatment systems concerning isolated incidents that, when viewed together, indicate a problem in the operating or treatment systems. A list of the functions of the Ombudsman is attached.

Mr. Fuller indicates that the United States Department of Justice has threatened to file litigation against the City regarding the operations of the Youth Guidance Center. The City has used the Ombudsman's written reports detailing the weaknesses in the operating and treatment systems as a guideline for making improvements in those operating and treatment systems. Mr. Fuller concludes that by using the Ombudsman's reports, the City has been able to focus improvements on the operating and treatment system problems that have shown the U.S. Department of Justice the City's good intentions, possibly forestalling their decision to file litigation against the City.

**Comment:**

In light of the City's current fiscal situation including the previously projected \$91.7 million revenue shortfall for Fiscal Year 1992-93, (the Controller, the Mayor's Director of Finance and the Budget Analyst are presently working on an updated Fiscal Year 1992-93 projected revenue shortfall report which is anticipated for completion by April 1, 1992), the Budget Analyst recommends against establishing a new General Fund financed proposed Office of Ombudsman.

**Recommendation:**

Continue the proposed ordinances to create one new General Fund position for the Juvenile Justice Commission and to fund the new position and related operating costs pending, a determination that the needed funding can be reappropriated from the 1991-92 Family Support budget without the use of additional General Fund monies and pending submission of the needed related substitute legislation. It should be noted that such substitute legislation should result in a reduced amount needed for the balance of the 1991-92 Fiscal Year (less than the \$18,666 under this current request for the period from December 31, 1991 through June 30, 1992).



## Functions of the Juvenile Justice Ombudsman

The overriding aim of the Office of Ombudsman is to promote the fair, efficient, and effective functioning of the Juvenile Justice System in San Francisco. This is performed through several critical functions, including:

1. Ensuring that the systems and procedures used to supervise, care for, and rehabilitate youth within it are:
  - a) consistent with a youth's legal rights and basic needs
  - b) clearly delineated and understood by all concerned parties
  - c) evenly applied and optimally functioning.
  - d) regularly reviewed to correct individual instances of breakdowns.
2. Applying a methodology of monitoring and oversight of youth grievance systems.

This presupposes the existence of straight forward and effective grievance systems that are readily available, easily understood, trust worthy, and timely in response to concerns raised. Such systems provide immediate, ongoing and uncensored information on areas where reoccurring difficulties occur, from the perspective of those whom the Ombudsman is called upon to assist.

3. Testing the effectiveness and functioning of grievance systems through responses to individual grievances.

It is a primary objective of the Ombudsman to ensure that grievance systems do in fact exist, for each relevant area of the Juvenile Justice System, that fulfil all of the above listed criteria.

4. Evaluating the cumulative impact of grievances to distinguish between isolated and repeated instances of complaints and abuse.

It is an essential objective of the Ombudsman to ensure that the basically "raw" data on potential problems provided through the filing of individual grievances be sufficiently analyzed to discover underlying patterns and that these then be reviewed by appropriate managers and decision makers for possible action.

5. Evaluating other support, care, and rehabilitation systems for their effectiveness and functionality.

The Ombudsman takes a comprehensive view of the entire range or systems that effect the well being of youth in the Juvenile Justice System and determines places for redress, attention, and improvement.

6. Reporting on work in progress.

The Ombudsman has a unique function in reporting to the public and the Juvenile Justice Commission the issues, concerns, and results achieved as a result of performing the above functions.

While the above functions outline the general scope of the work of the Ombudsman they cannot completely convey the scope of communications and confidence building that the Ombudsman facilitates at nearly every level within the justice system. The Office is available to youth, parents, staff, and service providers to assist in their needs and in the proper performance of the administration of juvenile justice. The delineated functions provide a working outline of the categories of the Ombudsman's efforts; the interactions are the context in which the functions take place.



Item 9 - File 94-92-1

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)  
Department of Parking and Traffic

**Item:** Resolution authorizing the Public Utilities Commission to apply for, accept, and expend a new State grant, including an estimated \$30,900 of indirect costs.

**Grant Amount:** \$437,000

**Grant Period:** Approximately May, 1992 through April, 1993

**Source of Funds:** Federal Highway Administration Funds (FHWA) administered through the State Department of Transportation Traffic Systems Management funds

**Project:** MUNI Transit Signal Preemption Equipment

**Description:** The proposed grant funds would be used to purchase and install MUNI traffic signal preemption equipment at various intersections throughout the City, based upon a report completed by the Department of Public Works (DPW) Traffic Engineering Bureau and the Department of Parking and Traffic. These intersections include: West Portal/Vicente, West Portal/15th Avenue, Duboce/Sanchez, Sacramento/Gough, Fillmore/Fulton, Judah/18th Avenue, Sutter/Hyde, Union/Fillmore, Sutter/Leavenworth, Church/23rd Street, Haight/Steiner, Sutter/Webster and Drumm/Sacramento. Sensing devices would be installed on trolley coach/LRV overhead wires, in order to enable the transit vehicles priority passage through the above-listed signalized intersections when approaching.

According to the application for the proposed grant funds prepared by the Department of Parking and Traffic, the installation of these devices at the 13 proposed sites would save approximately 1,615 trolley coach hours and 2,183 LRV operating hours annually, resulting in a total of approximately \$110,639 in operating cost savings annually. Subtracting the projected annual maintenance costs of approximately \$13,000 from the projected \$110,639 in annual operating cost savings would result in a net cost savings of an estimated \$97,639 annually. As noted above, the proposed traffic signal equipment would be installed through the end of the grant period which would be approximately April, 1993, so these cost savings would not be realized on an annual basis until FY 1993-94. Therefore, the PUC's budget should

be reduced by these cost savings accordingly beginning in FY 1993-94 (See Comment #6).

<b>Budget:</b>	<u>Design and Construction Engineering</u>	
	Department of Parking and Traffic	\$28,440
	MUNI	<u>42,660</u>
	Total Design and Construction Engineering	\$71,100
	 <u>Contractual Services</u>	 335,000
	 <u>Administrative - Indirect Costs</u>	 <u>30,900</u>
	Total	\$437,000

**Required Match:** None.

**Indirect Costs:** \$30,900 or approximately seven percent of the total grant award of \$437,000 (See Comment # 1).

**Comments:** 1. Although the proposed resolution states that indirect costs in the amount of \$30,900 would be included as part of the proposed grant award, Ms. Gail Bloom of the PUC reports that based upon preliminary contract information received from the State Department of Transportation, the FHWA funds, administered through the State, do not allow the use of grant funds for administrative - indirect costs. Ms. Bloom reports that if the State does not allow the use of grant funds for administrative - indirect costs, the PUC would include the \$30,900 for indirect costs as part of its County Transportation Authority half-cent sales tax application. Ms. Bloom indicates that the PUC would continue to negotiate with the State to attempt recovery for these administrative - indirect costs. However, the State may not make a final decision until after the project is completed. Ms. Bloom also reports that if the State does not allow the use of grant funds for administrative - indirect costs, these funds would be used to provide additional signal equipment, thereby expanding the scope of the project.

2. Ms. Bloom indicates that the \$335,000 budgeted for contractual services would be awarded on a competitive bid basis and would be used for materials and installation contracts for the traffic signal devices. However, Ms. Bloom states that the contractors have not yet been selected. Therefore, a total of \$365,900 should be reserved (\$335,000 budgeted for contractual services and \$30,900 originally budgeted for administrative - indirect costs) for contractual services pending determination of the MBE and WBE status of the contractors and finalization of contract cost details.



3. Ms. Bloom reports that the Department has already applied for the proposed grant funds during Fall, 1990, but did not previously request authorization from the Board of Supervisors. Ms. Bloom indicates that before the State would award the proposed grant funds, the State required that a resolution be submitted which indicated support of the proposed project. Therefore, the proposed resolution should be amended to authorize the PUC to apply for the proposed grant funds retroactively.

4. The PUC has completed a Disability Access Checklist which is in the file.

5. Attached is the "Summary of Grant Request Form," as completed by the PUC.

6. As noted, according to the application for the proposed grant funds prepared by the Department of Parking and Traffic, the installation of the proposed traffic signal preemption equipment would result in a net cost savings of an estimated \$97,639 annually beginning in FY 1993-94. However, Ms. Bloom indicates that although the proposed project would enable the PUC to improve overall services and avoid any increases in operating costs, the PUC was unable to verify whether similar PUC budget reductions from the projected cost savings would occur beginning in FY 1993-94. The Budget Analyst recommends requesting that the PUC submit a report to the Board of Supervisors on the status of implementing the proposed traffic signal preemption devices and any resulting PUC budget reductions from the projected cost savings beginning in FY 1993-94.

**Recommendations:** 1. Amend the proposed resolution to authorize the PUC to apply for the proposed grant funds retroactively.

2. Amend the proposed resolution to reserve a total of \$365,900 (\$335,000 budgeted for contractual services and \$30,900 originally budgeted for administrative - indirect costs) pending determination of the MBE and WBE status of the contractors and finalization of contract cost details.

3. Approve the proposed resolution as amended.

4. Request that the PUC submit a report to the Board of Supervisors on the status of implementing the proposed traffic signal preemption devices and whether any PUC budget reductions result from the projected cost savings beginning in FY 1993-94.



Item No. \_\_\_\_\_

## - Summary of Grant Request

Rev. 4/10/90

Grantor State Department of TransportationDivision Public Utilities Commission

Contact Person \_\_\_\_\_

Section Municipal Railway

Address \_\_\_\_\_

Contact Person Gail BloomTelephone 923-2573Amount Requested \$ 473,000

Application Deadline \_\_\_\_\_

Term: From \_\_\_\_\_ To \_\_\_\_\_

Notification Expected \_\_\_\_\_

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
 (Circle appropriate words) grant in the amount of \$ 473,000 from the period of May 1992 to April 1993  
 to provide transit signal preemption equipment services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

The proposed grant funds would be used to purchase and install MUNI traffic signal preemption equipment at various intersections throughout the City. In order to enable transit vehicles priority passage.

III. Outcomes/Objectives:

Would result in operating cost savings through decreasing trolley and LRV coach hours.

IV. Effects of Reduction or Termination of These Funds:

No operating cost savings.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount		N/A	\$437,000		N/A	
Personnel						
Equipment						
*Contract Svc.			335,000			
Mat. & Supp.						
Facilities/Space			71,100			
Other						
Indirect Costs			30,900			

VI. Data Processing

(costs included above)

VII. Personnel

	F/T CSC	P/T CSC	Contractual
F/T CSC			
P/T CSC			
Contractual			

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

\*VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)

Item 10 - File 101-91-7.3

**Department:** Fire Department

**Item:** Request for release of reserved funds for asbestos abatement work at Pump Station #1.

**Amount:** \$281,500

**Source of Funds:** 1986 Fire Protection Bond (Proposition A) Funds - Series 1991B

**Description:** In November 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement Bonds (Proposition A). The Fire Department has used the \$46,200,000 bond sale proceeds to extend and improve the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, pipelines, and pump stations which will provide a source of water for fire protection in the event that the main water supply system fails, as it did following the 1906 earthquake. The bond-funded improvement project is a means to extend the AWSS to previously unprotected areas of the City.

In 1987 the City sold \$31 million of the \$46.2 million in bonds which were approved as Series 1987A bonds, to begin the first phase of the AWSS project. In January 1991 the City sold the remainder of the \$46.2 million approved bond issue by issuing \$15.2 million in Series 1991B bonds, in order to complete the project.

In April 1991, the Board of Supervisors appropriated the \$15.2 million proceeds from the sale of the Series 1991B fire protection bonds to the Fire Department, but reserved \$13,506,943 which was budgeted for a variety of construction projects, pending specific information concerning the amount of the construction contracts and the MBE/WBE status of the selected contractors. Of the \$13,506,943 placed on reserve, a total of \$1,313,977 has been subsequently released leaving a balance on reserve of \$12,192,966.

**Comment:** Mr. Bob Jew, Project Manager for the Fire Protection Bond Program at the Department of Public Works (DPW), reports that an RFP has been issued by the DPW. However, Mr. Jew indicates that the proposed contract has not been approved by the Human Rights Commission. Therefore, Mr. Jew is requesting that the proposed item be continued for one week, until the Finance Committee Meeting of April 1, 1992, pending approval of the proposed contract by the Human Rights Commission.

Memo to Finance Committee  
March 25, 1992

**Recommendation:** Continue the proposed item one week, until the Finance Committee Meeting of April 1, 1992.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 11 - File 101-91-55.1

**Department:** Controller

**Item:** Releasing \$3,000,000 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:** On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program, to a reserve account to finance the lump sum sick leave and vacation payments.

Some of the positions to retire, such as department head positions and other critical positions, are mandated by the Charter or are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or necessary position, that position can be backfilled, if approved by the Proposition A Committee. The committee consists of the Mayor, General Manager, Personnel and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council who serve as advisory members.

On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19, 1992, and is now requesting that \$1,867,425 for 200 General Fund positions to be backfilled, be released. Attached is a report listing the positions to be backfilled and the amounts needed as recommended by the Proposition A Committee.

**Comment:** Because the Proposition A Committee was unable to provide a list of positions and salaries to be backfilled to the Budget Analyst until March 23, 1992, shortly before the Finance Committee Meeting of March 25, 1992, the Budget Analyst has been unable to review the justification for the positions to be backfilled. Although the Controller's Office invited the Budget Analyst to observe the Proposition A Committee meeting, the Budget Analyst declined. The Budget Analyst is not included as a Committee member according to Proposition A and the Committee's review and deliberation was substantially underway. Also, if directed by the Finance

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Committee, a review by the Budget Analyst should be done independently of the Proposition A Committee decision process.

If the Finance Committee believes an independent review of the positions to be backfilled should be made by the Budget Analyst, then this item should be continued for one week. However, the Proposition A Committee's recommendations, together with the answering of any questions which the Finance Committee might have, may be sufficient for the approval by the Finance Committee of the release of the requested funds to backfill the positions.

A representative of the Proposition A Committee is anticipated to attend the Finance Committee Meeting to respond to any questions that may arise regarding the selection of positions to be backfilled.

- Recommendations:**
1. If the Finance Committee would like the Budget Analyst to conduct an independent review of the proposed positions to be backfilled, continue this request for one week.
  2. Otherwise, approval of this request is a policy matter for the Finance Committee.



City and County of San Francisco

Office of Controller

Attachment  
Page 1 of 5



March 23, 1992

Finance Committee  
Board of Supervisors  
235 City Hall  
San Francisco, CA 94102

RE: Early Retirement Backfills

Gentlemen:

Attached is a list of 200 general fund funded positions approved for back filling by the Proposition A - Early Retirement Committee at its meeting of March 19 and 20.

The Committee closely reviewed any positions with an annual salary in excess of \$60,000 as required by the Early Retirement legislation. Positions authorized with annual salary cost in excess of the \$60,000 threshold are indicated on the attached list with an asterisk.

The Committee recommended back filling of a position from the date at which the department and Civil Service reasonably considered a replacement might be hired to the end of the fiscal year to minimize the amount of General Funds required. Where there are multiple funding sources for a position, such as the Director of Public Works who is paid from General Fund, Gas Tax, Road and bond funds, the amount requested is the General Fund amount only.

Your approval to release \$1,867,425 from the \$3,000,000 supplemental appropriation made for the purpose of back filling these mandated and critical need positions is requested.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John W. Harrington", written over a horizontal line.

Edward Harrington  
Controller

cc: Prop A Committee members  
Budget Analyst

PropA.rel



## POSITIONS APPROVED BY PROPOSITION A COMMITTEE ON 3/19/92 &amp; 3/20/92

DEPARTMENT	CLASS	COUNT	AMOUNT
2	ASSESSOR		
4268	ASST CHIEF REAL PROPERTY APPRAISER	1	\$12,620
4269	CHIEF APPRAISER	1 *	\$14,049
	Total:	2	\$26,669
8	TREASURER-TAX COLLECTOR		
4384	CHIEF ASSISTANT TREASURER	1 *	\$16,510
	Total:	1	\$16,510
25	MAYOR		
9790	ASSISTANT TO THE MAYOR V	1	\$9,587
	Total:	1	\$9,587
29	CITY PLANNING		
5116	DIRECTOR OF PLANNING	1 *	\$23,235
	Total:	1	\$23,235
30	CIVIL SERVICE COMMISSION		
1292	GENERAL MANAGER, PERSONNEL	1 *	\$20,570
	Total:	1	\$20,570
33	HEALTH SERVICE SYSTEM		
A962	EMPLOYEE BENEFITS TECHNICIAN	1	\$6,483
1476	SENIOR CLAIMS PROCESSING CLERK	1	\$7,373
	Total:	2	\$13,856
35	MUNICIPAL RAILWAY		
7249	AUTOMOTIVE MECHANIC SUPERVISOR I	2	\$25,130
7258	MAINTENANCE MACHINIST SUPERVISOR I	1	\$12,565
7319	ELECTRIC MOTOR REPAIRER	1	\$9,648
7381	AUTOMOTIVE MECHANIC	3	\$27,410
7382	AUTOMOTIVE MECHANIC ASST. SUPV	2	\$22,790
7410	AUTOMOTIVE SERVICE WORKER	3	\$20,010
9139	TRANSIT SUPERVISOR	8	\$84,698
9163	TRANSIT OPERATORS	35	\$317,286
	Total:	55	\$519,536
36	PARKING & TRAFFIC		
5233	PRINCIPAL TRAFFIC ENGINEER	1 *	\$18,032
	Total:	1	\$18,032
41	PUBLIC LIBRARY		
1424	CLERK TYPIST	1	\$6,209
2708	CUSTODIAN	2	\$12,476
3616	LIBRARY TECHNICAL ASSISTANT I	1	\$7,844

## 41 PUBLIC LIBRARY (CONT.)

3632	LIBRARIAN II	3		\$33,208	
3634	LIBRARIAN III	3		\$36,363	
3638	CHIEF LIBRARIAN	1 *		\$17,997	
8207	GUARD	1		\$7,368	
	Total:		12		\$121,464

## 42 RECREATION &amp; PARK

1220	PAYROLL CLERK	1		\$7,164	
1454	EXECUTIVE SECRETARY III	1		\$8,560	
1656	HEAD ACCOUNTANT	1		\$11,334	
1926	SR MATERIALS & SUPPLIES SUPV	1		\$6,829	
2708	CUSTODIAN	1		\$5,835	
3291	PRINCIPAL RECREATION SUPV	1		\$11,170	
3320	ANIMAL KEEPER	1		\$7,730	
3350	PARKS SUPERINTENDENT	1 *		\$17,241	
3417	GARDENER	1		\$7,730	
7213	PLUMBER SUPERVISOR I	1 *		\$13,060	
	Total:		10		\$96,653

## 44 RETIREMENT

8141	WORKERS COMPENSATION ADJUSTER	1		\$8,977	
	Total:		1		\$8,977

## 45 SOCIAL SERVICES

2905	SR ELIGIBILITY WORKER	9		\$56,963	
2907	ELIGIBILITY WORKER SUPERVISOR	2		\$17,032	
2910	SOCIAL WORKER	4		\$24,262	
2940	CHILD WELFARE WORKER	10		\$84,336	
	Total:		25		\$182,592

## 49 PUC - LIGHT, HEAT &amp; POWER

5174	ADMINISTRATIVE ENGINEER	1 *		\$14,461	
	Total:		1		\$14,461

## 72 COUNTY AGRICULTURE/WTs &amp; MEASURES

3480	FARMERS MARKET MANAGER	1		\$6,796	
	Total:		1		\$6,796

## 74 CORONER

2581	ADMINISTRATIVE CORONER	1 *		\$14,323	
			1		\$14,323

## 75 ELECTRICITY

8234	FIRE ALARM DISPATCHER	2		\$17,537	
	Total:		2		\$17,537

## 83 PUBLIC HEALTH CENTRAL OFFICE

1222	SR PAYROLL & PERSONNEL CLERK	1	\$7,851	
1446	SECRETARY II	1	\$7,027	
1654	PRINCIPAL ACCOUNTANT	1	\$10,637	
2320	REGISTERED NURSE	4	\$45,272	
2486	ASSISTANT TOXICOLOGIST	1	\$10,082	
Total:		8		\$80,868

## 85 LAGUNA HONDA

2302	ORDERLY	15	\$101,945	
2320	REGISTERED NURSE	8	\$90,543	
2322	HEAD NURSE	2 *	\$30,262	
Total:		25		\$222,749

## 86 SAN FRANCISCO GENERAL HOSPITAL

1428	WARD CLERK	1	\$6,769	
2302	ORDERLY	3	\$20,389	
2305	PSYCHIATRIC TECHNICIAN	1	\$7,373	
2312	LICENSED VOCATIONAL NURSE	3	\$21,806	
2320	REGISTERED NURSE	8	\$90,543	
2390	CENTRAL SUPPLY PROCESS & DISTRIBUT	1	\$7,131	
2409	PHARMACY TECHNICIAN	2	\$16,230	
2494	STAFF RADIOLOGIC TECH	1	\$8,516	
2736	PORTER	8	\$46,678	
7355	TRUCK DRIVER	1	\$9,697	
Total:		29		\$235,133

## 87 COMMUNITY MENTAL HEALTH

1819	MANAGEMENT INFO SYS SPEC III	1	\$11,115	
1823	SR ADMINISTRATIVE ANALYST	1	\$11,450	
2232	SR PHYSICIAN SPECIALIST	3 *	\$54,095	
2305	PSYCHIATRIC TECH	2	\$15,922	
2306	SR PSYCHIATRIC ORDERLY	1	\$7,730	
2320	REGISTERED NURSE	4	\$45,272	
2588	HEALTH WORKER IV	1	\$7,967	
Total:		13		\$153,550

## 90 PUBLIC WORKS

5182	DEPUTY DIR OF DPW & ENGR	1 *	\$5,708	
5190	DIRECTOR OF PUBLIC WORKS	1 *	\$6,672	
5192	ASST TO DIRECTOR OF PUBLIC WORKS	1 *	\$2,704	
5193	DEPUTY DIRECTOR OF DPW FOR FIN MAN	1 *	\$5,600	
7281	STREET CLEANING SUPV II	2	\$24,941	
7282	STREET REPAIR SUPV	1	\$12,030	
Total:		7		\$57,655

## 91 PURCHASING

1934 STOREKEEPER

1 \$6,670

1 \$6,670

GRAND TOTAL: 200 \$1,867,425

\* ANNUAL SALARY IS MORE THAN \$60,000.



Item 12 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of March 18, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:



PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988	1993	CHANGE
	INDUSTRIES	Sectors INDUSTRIES Sectors	
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION		15,400 14,700	(700)
MANUFACTURING	41,400	38,800	(2,600)
Nondurable	32,900	31,600	(1,300)
Food		5,700 4,900	(800)
Apparel		12,800 12,900	100
Printing/Publish		10,300 10,500	200
Other		4,100 3,300	(800)
Durable	8,500	7,200	(1,300)
Metals		1,800 1,300	(500)
Transp. Equip.		1,800 1,100	(700)
Other		4,900 4,800	(100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation		20,600 21,600	1,000
Communication/Utilities		19,300 17,400	(1,900)
WHOLESALE TRADE		31,600 30,500	(1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores		8,100 8,000	(100)
Food stores		8,600 9,600	1,000
Apparel stores		7,800 8,100	300
Restaurants & bars		32,400 33,200	800
Other		20,900 22,500	1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance		47,400 46,000	(1,400)
Insurance/Real Estate		30,300 29,600	(700)
SERVICES	186,600	207,800	21,200
Hotel services		17,000 19,600	2,600
Business services		47,000 55,200	8,200
Health services		25,000 25,700	700
Legal services		19,200 23,500	4,300
Social services		20,400 21,700	1,300
Engineer, Architect, Mgmt		28,200 30,200	2,000
Other		29,800 31,900	2,100
GOVERNMENT	90,200	91,700	1,500
Federal		29,500 27,000	(2,500)
State and Local		60,700 64,700	4,000
		560,600 579,500	

Table 2

PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.70) (3.70)
MANUFACTURING	(6.28)	(13.76)
Nondurable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.05)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.17
Hotel services	15.29	13.76
Business services	17.45	43.39
Health services	2.80	3.70
Legal services	22.40	22.75
Social services	6.37	6.88
Engineer, Architect, Mgmt	7.09	10.58
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.16

The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (579,500 less 560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

Manufacturing Industry. The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

Services Industry. The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

Labor Supply and Growth Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national

average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.



Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,



resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against

interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.

Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on



JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members is currently reviewing and holding hearings regarding changes to the Commission. Although such changes have not been finalized and would require approval of the Board of Supervisors, according to Mr. Sims, the Small Business Advisory Commission may be changed to incorporate both large and small, downtown and neighborhood business interests. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is anticipated to be completed during the next couple of months, will focus on the Bayview neighborhood.

Employment Impacts. In response to the Finance Committee's request on March 11, 1992, the Budget Analyst has analyzed the employment impacts on the San Francisco Bay Area of an additional \$1 billion of grant or bond funds to the City. The following two charts reflect the number of direct jobs and the total number of direct and indirect jobs that could be expected to result:

<u>Direct Employment</u>	<u>Number of Direct Jobs Per \$1 Billion</u>	<u>Number of Direct and Indirect Jobs Per \$1 Billion</u>
Construction - Non-residential	9,367	11,709
Construction - Highways and Public Utilities	10,633	12,653
Maintenance and Repair	<u>6,800</u>	<u>8,500</u>
Total	26,800	32,862

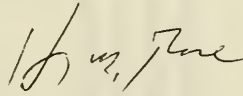
As reflected above, assuming that a total of an additional \$1 billion of grant or bond funds were equally distributed among the above three construction and maintenance sectors of the economy, it is estimated that 26,800 additional direct jobs would be created. Overall, a total of 32,862 direct and indirect jobs would be created if an additional \$1 billion of grant or bond funds were approved by the City.

These estimates are based on the Association of Bay Area Governments (ABAG) Input-Output Model which reflects the impact on the San Francisco Bay Area, which includes the surrounding counties. The impact on San Francisco would be less, although the precise impact on San Francisco cannot be determined. It is also assumed that the jobs created within each of these industries are new jobs and not relocations from other jobs and that all purchases by businesses would come from enterprises within the Bay Area.

General Obligation Bonds. In response to the Finance Committee's request on March 11, 1992, the Budget Analyst provides the attached information, prepared by the Office of the Chief Administrative Officer, regarding the amount of General Obligation bond measures that have been approved by the San Francisco voters, the amount of bonds issued by the City to date, the remaining amount not yet issued and the amount of the four proposed bond measures for the June, 1992 ballot. As reflected in the attachment, since 1986, the voters of San Francisco have approved \$753.3 million of General Obligation bonds. To date, a total of \$390,597,849 of these \$753.3 million of approved bonds have not yet been issued. In addition, another \$148,220,000 for four General Obligation bonds are on the June 2, 1992 ballot. If all four of these bond measures are approved in June, 1992, it would result in a total of \$538.8 million of outstanding bonds to be issued.

Memo to Finance Committee  
March 25, 1992

Based on \$538.8 million of outstanding bonds, using the same ABAG Input-Output Model as above, the Budget Analyst projects this would result in an additional 14,440 direct jobs and an overall total of 17,706 direct and indirect jobs for the San Francisco Bay Area.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Shelley  
Supervisor Hallinan  
President Ward  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey



## General Obligation Bond Elections

Date	Purpose	Amount Authorized	Amount Issued	Less FEMA Funds	Amount Remaining Unissued
Authorized					
4-Nov-86	Fire Protection System Improvements	46,200,000	46,200,000		
3-Nov-87	Police Department Facilities	28,000,000	21,900,000		6,100,000
3-Nov-87	Street and Safety Improvements	27,000,000	27,000,000		
3-Nov-87	SF General Hospital Mental Health Facility	26,000,000	26,000,000		
3-Nov-87	Recreation and Park Facilities	18,000,000	18,000,000		
7-Jun-88	Public School Facilities	90,000,000	90,000,000		
8-Nov-88	Library Facilities	109,500,000	25,000,000		84,500,000
7-Nov-89	Public Safety Improvements (ESP I)	59,700,000	27,000,000		32,700,000
5-Jun-90	Public Safety Improvements (ESP II)	332,400,000	49,500,000	15,602,151	267,297,849
6-Nov-90	Correctional Facilities	16,500,000	16,500,000		
Total To Date		753,300,000	347,100,000	15,602,151	390,597,849
2-Jun-92	Civic Center Garage Expansion	24,000,000			24,000,000
2-Jun-92	Civic Center Heating System	21,220,000			21,220,000
2-Jun-92	Civic Center Plaza Improvements	26,700,000			26,700,000
2-Jun-92	Golden Gate Park Improvements	76,300,000			76,300,000
Proposed Bonds		148,220,000			148,220,000
		901,520,000	347,100,000	15,602,151	538,817,849

90.25  
2  
1/92

**CALENDAR** -- Actions Taken  
**MEETING OF**  
**FINANCE COMMITTEE**  
**BOARD OF SUPERVISORS**  
**CITY AND COUNTY OF SAN FRANCISCO**

WEDNESDAY, APRIL 1, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

ABSENT: SUPERVISOR GONZALEZ - Items 8 - 20

SUPERVISOR SHELLEY - Items 1 - 5 and 21

CLERK: GAIL JOHNSON

DOCUMENTS DEPT  
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NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

**CONSENT CALENDAR**

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 146-92-22. [Grant - State] Resolution authorizing the Department of Public Health, Community Mental Health, to apply for a grant in the amount of \$63,333, from the State Department of Rehabilitation and to enter into a Cooperative Program Agreement and a Case Service Contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally ill psychiatric clients; waiving indirect costs. (Dept. of Public Health)
- b. File 25-92-4. [Contracting Out City Services] Resolution approving the Controller's certification that Parking Management Services for San Francisco International Airport can practically be performed by private contractor at a lower cost for the year commencing July 1, 1992, than if work were performed by City employees at presently budgeted levels. (Airports Commission)
- c. File 25-92-3. [Contracting Out City Services] Resolution concurring with the Controller's certification that legal process server services can be practically performed for the District Attorney, Family Support Bureau, by a private contractor for lower a cost than similar services performed by City and County employees. (Family Support Bureau, District Attorney's Office)



- d. File 150-92-1. [Grant – Federal Funds] Resolution authorizing the Recreation and Park Department to apply for funds of \$50,000, which includes indirect costs of \$1,800 or approximately 3.6 percent of the total grant award, from the Federal Urban Park and Recreation Recovery Act of 1978, for the Workrecreation at Latchkey Program. (Recreation and Park Dept.)
- e. File 153-92-3. [Grant – Federal Funds] Resolution authorizing the Department of Social Services to expend a supplemental grant of \$59,009, which will include indirect costs equal to \$2,950 of the amount, from the Department of Health and Human Services, Office of Human Development Services. (Dept. of Social Services)
- f. File 172-92-6. [Emergency Contract] Resolution authorizing the Department of Public Health, San Francisco General Hospital, to enter into emergency contracts providing for retroactive payments to Nor-Cal Medical Temps and Western Medical Services. (Dept. of Public Health)
- g. File 68-92-5. [[Grant – Federal Funds] Resolution authorizing the Mayor of the City and County of San Francisco to apply for a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$4,000,000 for the acquisition, rehabilitation and construction of a facility for homeless substance abusers, which includes detoxification, residential treatment and sober housing services. (Supervisor Gonzalez)

**ACTION:** Items a, d, f and g removed from Consent Calendar. Remainder of the Consent Calendar recommended.

Item 1a, File 146-92-22. Amended to reflect a \$15,833 or 25% local match in both the title and body. (See file for details.) New title: "Authorizing the Department of Public Health, Community Mental Health, to apply for a grant in the amount of \$63,333, from the State Department of Rehabilitation and to enter into a Cooperative Program Agreement and a Case Service Contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally ill psychiatric clients; providing \$15,833 or 25 percent local match; and waiving indirect costs." Recommended as amended.

Item 1d, File 150-92-1. Amended. Recommended as amended. (Add to title "retroactively").

Item 1f, File 172-92-6. Continued to April 8, 1992.

Item 1g, File 68-92-5. Recommended.

## REGULAR CALENDAR

- 2. File 161-91-5 [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1991-92; the issuance of not to exceed \$1,000,000 of tax allocation bonds; an appropriation of \$100,000 for fiscal year 1991-92; and an amendment to the indebtedness limitation agreement. (Supervisor Gonzalez)

**ACTION:** Continued to Call of the Chair.



3. File 38-92-12. [Acceptance of Gift] Resolution accepting a gift from the Library Foundation of San Francisco in behalf of the San Francisco Building and Construction Trades Council for services valued at \$125,000, for the demolition, asbestos abatement and removal of debris of the structure known as 100 Larkin Street on Marshall Square in Civic Center. (Supervisor Gonzalez)

ACTION: Amended on page 1, line 4, and page 2, line 6, following "at", by adding "up to". New title: "Accepting a gift from the Library Foundation of San Francisco in behalf of the San Francisco Building and Construction Trades Council for services valued at up to \$125,000, for the demolition, asbestos abatement and removal of debris of the structure known as 100 Larkin Street on Marshall Square in Civic Center." Recommended as amended.

4. File 65-92-5 [Lease of Real Property] Resolution authorizing a new lease of real property at 1360 Mission Street for the Department of Public Health. (Supervisor Gonzalez)

ACTION: Recommended.

5. File 25-92-1. [Contracting Out City Services] Resolution concurring with the Controller's certification that security services can be practically performed at the Department of Social Services by private contractor for lower cost than similar work services performed by City and County employees. (Dept. of Social Services)  
(Cont'd from 3/25/92)

ACTION: Recommended.

6. File 97-92-5. [Resource Conservation] Ordinance amending Administrative Code by adding Chapter 21A thereto to require that (1) City departments establish in-house waste reduction programs, and (2) all City and County departments and agencies purchase recycled products to the maximum extent possible. (Supervisors Britt, Achtenberg, Alioto, Hsieh, Kennedy, Migden, Shelley)  
(Transferred from City Services Committee 3/17/92 – Fiscal Impact)

ACTION: Recommended. Add Supervisors Gonzalez and Hallinan as co-sponsors.

7. File 97-92-5.1. [Waste Reduction and Office Products Cost Containment] Resolution establishing the Board policy that all City and County departments, agencies, boards and commissions reduce the use of paper products and office supplies and provide written implementation reports to the Office of Solid Waste Management. (Supervisors Britt, Achtenberg, Alioto, Kennedy, Migden, Shelley, Hsieh)  
(Transferred from City Services Committee 3/17/92 – Fiscal Impact)

ACTION: Recommended. Add Supervisors Gonzalez and Hallinan as co-sponsors.





8. File 101-91-53. [Government Funding] Ordinance appropriating \$1,346,000, Department of Public Works, for capital improvement project (Wastewater Reclamation Master Plan). RO #91178 (Controller)  
(Cont'd from 3/18/92)

ACTION: Amended. (Increase appropriation to \$1,451,885.) Recommended as amended.

9. File 101-91-7.3. [Release of Funds] Requesting release of reserved funds, Fire Department - 1986 Fire Protection Bond, in the amount of \$281,500, for asbestos abatement work at Pump Station #1. (Fire Department)  
(Cont'd from 3/25/92)

ACTION: Hearing held. Release of \$204,950 recommended. Filed.

10. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$1,132,575, for benefit payoff - miscellaneous (to back fill critical and mandated positions vacated because of early retirement). (Controller)  
(Cont'd from 3/25/92)

ACTION: Hearing held. Release of \$879,324 recommended. Filed. (File 101-91-55.2)

Remainder \$253,251 Continued to April 8, 1992 (File 101-91-55.1).

11. File 102-91-12. [Public Employment] Ordinance amending Annual Salary Ordinance, 1991-92, reflecting the addition of one position in Superior Court - Juvenile Justice Commission (Classification 0589 Court Assistant, Superior Court); companion measure to File 101-91-29. (Civil Service Commission)  
(Cont'd from 3/25/92)

ACTION: Continued to Call of the Chair.

12. File 101-91-29. [Government Funding] Ordinance appropriating \$18,666, Superior Court, for permanent salaries, related mandatory fringe benefits, travel, training, other services and materials and supplies for the creation of one position. RO #91117; companion measure to File 102-91-12. (Controller)  
(Cont'd from 3/25/92)

ACTION: Continued to Call of the Chair.

13. File 101-91-62. [Government Funding] Ordinance appropriating \$860,720, Port Commission, for EDP Service - EIPSC and Prop J/CSC, outside training, data/word processing equipment and data processing equipment lease/purchase, subject of previous budgetary denial for training. RO #91194. (Controller)

ACTION: Recommended.



14. File 101-91-64. [Government Funding] Ordinance appropriating \$62,902,000, Department of Public Health, Medi Cal Revenues (SB 855), transfer to other funds, San Francisco General Hospital, \$38,010,290, other current services (SB 855). RO #91202 (Controller)

ACTION: Recommended.

15. File 101-91-63. [Government Funding] Ordinance appropriating \$1,000,257, Department of Public Works, for capital improvement project (Street Reconstruction and Renovation). RO #91195 (Controller)

ACTION: Amended. (Correct title to read "\$1,100,257".) Amend by placing \$585,000 on reserve. Recommended as amended.

16. File 52-92-2. [Underground District] Ordinance creating an Underground District on Eighth Avenue in the Sunset District. (Dept. of Public Works)  
(Cont'd from 3/18/92)

ACTION: Recommended.

17. File 100-91-1.22. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Bureau of Architecture, in the amount of \$89,183, for data processing/word processing equipment. (Dept. of Public Works)

ACTION: Hearing held. Release of \$89,183 recommended. Filed.

18. File 101-90-127.3. [Release of Funds] Requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$6,500,000, for Earthquake Safety Program Phase 2, City Hall seismic upgrade services. (Dept. of Public Works)

ACTION: Hearing held. Release of \$6,500,000 recommended. Filed.

19. File 96-92-3. [Extension of an Option for Purchase of Air Rights] Resolution authorizing the City and County of San Francisco to extend term of an option to purchase certain air rights from the Society of California Pioneers, above their building at 456 McAllister Street, also known as Assessor's Block 766, Lot 4. (Real Estate Dept.)

ACTION: Recommended.

20. File 94-91-4.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of \$94,479, for data processing equipment. (PUC)

ACTION: Continued to April 8, 1992, meeting.

21. File 146-91-61.2. [Release of Funds] Requesting release of reserved funds, Department of Public Health, AIDS Office, in the amount of \$73,000, for Prevention and Education Program, to increase safe sex behavior among Closeted Men of Color through the use of targeted radio/television media messages. (Dept. of Public Health)

ACTION: Hearing held. Release of \$73,000 recommended. Filed.



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92  
CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST *Recommendations*

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 30, 1992

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 1, 1992 Finance Committee Meeting

DOCUMENTS DEPT.

APR 1 1991

SAN FRANCISCO  
PUBLIC LIBRARY

Item 1a - File 146-92-22

**Department:** Department of Public Health (DPH)  
Community Mental Health Services

**Item:** Resolution authorizing the Department of Public Health to apply for a grant of \$63,333 from the State Department of Rehabilitation and to enter into a Cooperative Program Agreement and a Case Service Contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally ill psychiatric clients; waiving indirect costs.

**Grant Amount:** \$63,333

**Source of Funds:** State Department of Rehabilitation

**Grant Period:** July 1, 1992 to June 30, 1993

**Description:** The proposed resolution would create a contract between the State Department of Rehabilitation and the City whereby the City would provide vocational services for psychiatric clients. Specifically, the City would contract with the California Pacific Medical Center's Community Vocational Enterprises, a non-profit organization, to provide staff to supervise up to 100 psychiatric clients in paid jobs of ten hours per week or more. Clients would receive evaluation, placement, and follow-up services from the Community Vocational Enterprises.

**Required Match:** \$15,833



**Indirect Costs:** Funder does not allow indirect costs

**Comments:** 1. According to Mr. Jack Rabin of the Department of Public Health, the proposed grant budget would consist entirely of contractual services with Community Vocational Enterprises. The contract would be sole source because the proposed grant would be used to expand existing services at that agency, Mr. Rabin reports. More information would be provided on the sole source contract when the Department requests authorization to accept and expend the proposed grant.

2. Mr. Rabin reports that a \$15,833, or 25 percent, local match would be required for the proposed grant. However, the match would be provided with in-kind services. In its application, the DPH would state that 2.5 existing FTEs, with salaries totalling \$77,071, are dedicated to providing vocational services. According to Mr. Rabin, those 2.5 FTEs are already dedicated to providing vocational services, so that the proposed grant would result in no change whatsoever in their work. The State requests the minimum 25 percent in-kind match as an indication from the City that the City is dedicated to providing vocational services beyond the grant amount, and any match above that amount would be viewed favorably by the grantor, Mr. Rabin advises.

The proposed resolution does not include language regarding the required \$15,833, or 25 percent local match. Therefore, the proposed resolution should be amended to reflect the required \$15,833 local match.

3. Disability Access Checklists have been prepared by the DPH and the contractor, and are included in the file.

4. Attached is a Summary of Grant Request, as prepared by the Department.

**Recommendation:** Amend the proposed resolution to reflect a \$15,833 or 25 percent required match in both the title and body and approve, as amended.

# No. \_\_\_\_\_ Health Commission - Summary of Grant Request

Rev. 4/30/90

Dept. of Rehabilitation - S.F.  
 Grantor District Office  
 Contact Person Diana Wagner, R.S.  
 Address 30 Van Ness  
San Francisco, CA 94103

Division Community Mental Health Services  
 Section Child, Youth, & Family Services  
 Contact Person Jack Kabin, Assistant Director  
 Telephone 255-3412

Amount Requested \$ 63,333  
 Term: From 07/01/92 To 6/30/93

Application Deadline April 10, 1992  
 Notification Expected July 1, 1992

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) ~~(renewal of existing)~~ (new) ~~(continuation of allocation)~~ (assignment of new) grant in the amount of \$63,333 from the period of 07/01/92 to 06/30/93 to provide Vocational services.

## II. Summary: (Concise summary, brief description, number of groups served, services, and providers)

Up to 100 psychiatric clients will be provided with paid jobs of 10 hrs./ week or more. Vocational services will be provided by Community Vocational Enterprises (CVE), a California Pacific Medical Center Program and by the San Francisco office of the State Department of Rehabilitation. Clients will receive evaluation, placement, and follow-up services.

## III. Outcomes/Objectives:

Provide vocational evaluation, placement, and follow-up services for up to 100 seriously mentally ill psychiatric clients.

## IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of these funds will prevent up to 100 clients from receiving vocational services.

## V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$63,333		<u>77.071</u>	
Personnel						
Equipment						
Contract Svc.			\$63,333			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

## VI. Data Processing

(as included above)

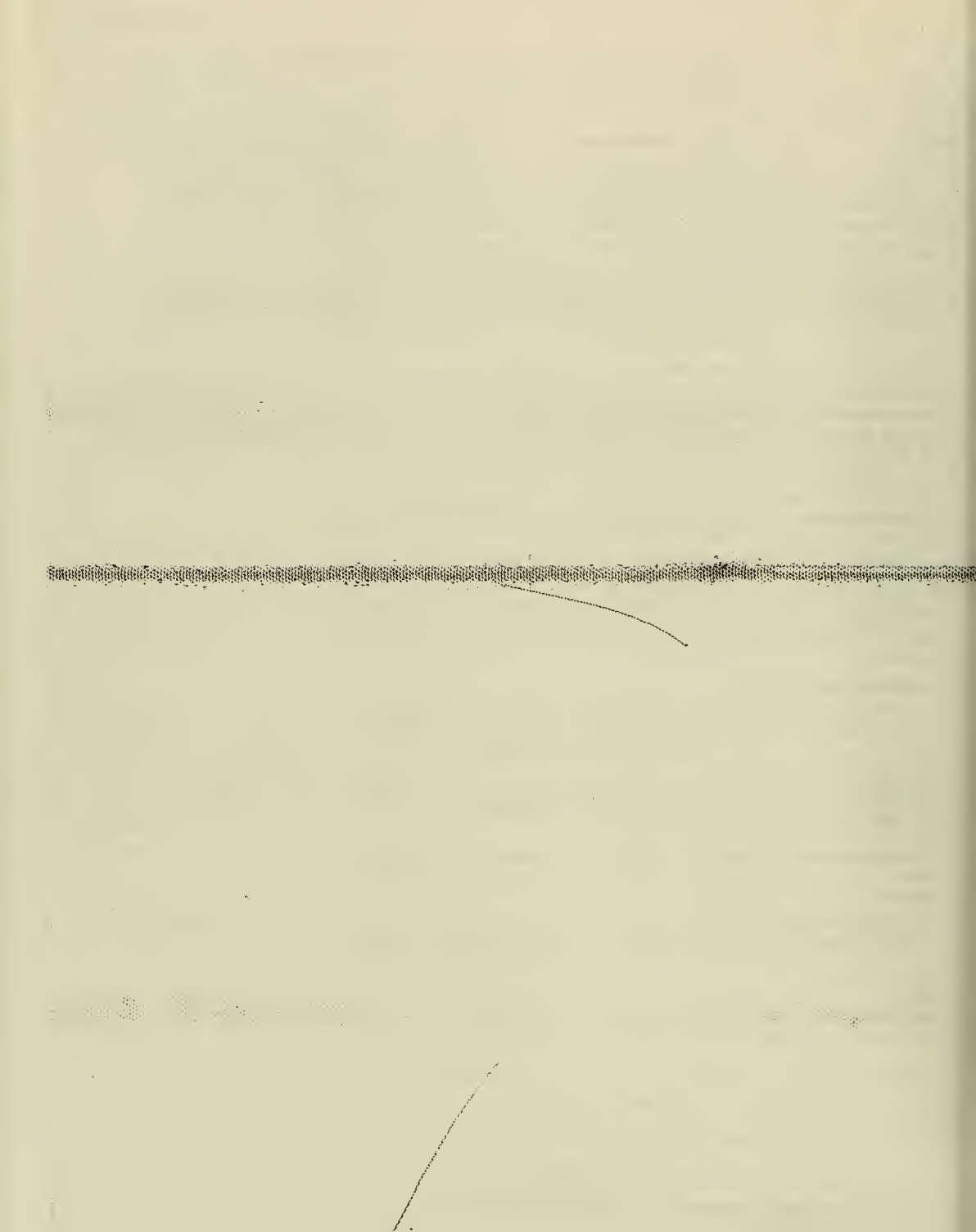
## VII. Personnel

F/T CSC				
P/T CSC				
Contractual			<u>1.2 FTE</u>	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source X (If not used, attach Request for Proposal Form)



Item 1b - File 25-92-4

**Department:** Airports Commission

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Parking management services which include: (1) collecting parking lot fees, (2) roving the parking lot by security officers, (3) providing janitorial services at the parking lot, (4) controlling traffic in and out of parking lots to avoid gridlock and (5) regulating the number of taxis at the various terminal taxi stands.

**Description:** The Controller has determined that contracting for these parking management services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Services</u>		
Salaries and Fringe Benefits	\$6,772,488	\$7,877,271
Fringe Benefits	1,827,444	2,055,926
Operating Expenses	<u>942,277</u>	<u>942,277</u>
Total	\$9,542,209	\$10,875,474
<u>Contracted Service Cost</u>	<u>8,504,700</u>	<u>8,504,700</u>
<u>Estimated Savings</u>	\$1,037,509	\$2,370,774

The Controller identified salaries for 218 employment classifications including 15 management and office clerical staff, 12 supervisors, 72 cashiers, 9 inventory lot checkers, 8 valet attendants, 29 taxi dispatchers, 36 security policy officers, 34 janitorial workers and 3 Stationary Engineers.

**Comments:** 1. Parking management services were first certified as required by Charter Section 8.300-1 in 1980 and have been provided by an outside contractor since 1971.

2. The Airports Commission is currently contracting with AMCO Airport Parking Company for the provision of these parking management services. AMCO is not an MBE, WBE or LBE. The term of this contract is for a period of one year commencing July 1, 1991, plus four one-year options.

3. The Controller's supplemental questionnaire with the Airport Commission's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

Charter 8.300-1 (Proposition J) Questionnaire

Department Airports Commission

Contract Services Parking Facilities at SFO - Operating Agreement

Time Period July 1, 1992 - June 30, 1993

- 1) Who performed services prior to contracting out?  
Not applicable - This service has always been contracted out. It has never been operated by City Personnel.
- 2) Number of City employees laid off as a result of contracting out?  
None.
- 3) Explain disposition of employees if they were laid off.  
Not applicable - No layoffs.
- 4) What percent of City employee's time is spent on services to be contracted out?  
Not applicable - No time expended by City personnel.
- 5) How long have services been contracted out?  
The garage services have been contracted out for more than 20 years.
- 6) What was the first fiscal year for a Proposition J Certification?  
1980 - 1981 Fiscal Year
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
The contract has met the 30% MBE goal. Good faith efforts were demonstrated by awarding five (5) contracts (5%) to WBES: still working on achieving the 10% WBE goal. Contract also required to meet City's affirmative action requirements (Chapter 12B and 12C).

  
\_\_\_\_\_  
Department Representative

Duke Briscoe, Deputy Director-Operations

(Type Name, Title)

(415) 876-2112

Telephone

cx1quespj





Item 1c - File 25-92-3

**Department:** District Attorney  
Family Support Bureau

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Process Server Services for the Family Support Bureau

**Description:** The Controller has determined that contracting for these process server services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$226,437	\$296,339
Fringe Benefits	66,350	80,855
Operating Expenses	<u>10,000</u>	<u>10,000</u>
Total	\$302,787	\$387,194
<u>Contracted Service Cost</u>	<u>147,277</u>	<u>147,277</u>
<u>Estimated Savings</u>	\$155,510	\$239,917

- Comments:**
1. Process server services were first certified as required by Charter Section 8.300-1 in 1986 and have been provided by an outside contractor continuously since then.
  2. The current one-year contract, which expires June 30, 1992, is with ABC Legal Process Services. ABC Legal Process Services is not a MBE, WBE or LBE. The contracted service cost used for the purpose of this analysis is based on a projection of anticipated trips by service areas and an estimated unit cost as prepared by the District Attorney.
  3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment D.A. - Family Support For Time Period FY 1991-92Contract Services Legal Process Service

- 1) Who performed services prior to contracting out?

Two Family Support Bureau Staff, 2 8102 Process Servers and 2  
8158 FSB Investigator IIs.

- 2) Number of City employees laid off as result of  
contracting out?

Two vacant positions (2 8102s) were deleted in FY 84/85 budget.

- 3) Explain the disposition of employees if they were not laid  
off.

N/A.

- 4) What percent of a City employee's time is spent on  
services to be contracted out?

1/2 position is engaged in contract monitoring.

- 5) How long have these services been contracted out?

Five years.

- 6) What was the first fiscal year for a Proposition J  
Certification?

Calendar Year 1986 was the first year of the contract.

- 7) How will contract services meet the goals of your  
MBE/WBE Action Plan?

N/A - Since these services are awarded on the basis of low,  
responsive bid, MBE/WBE accountability resides with the awarding  
authority - i.e. the Purchaser.

JOSEPH MATRANGA

Department Representative

Telephone: 553-4319

April 1, 1992

Item 1d - File 150-92-1

**Description:** Recreation and Park Department

**Item:** Resolution authorizing the Recreation and Park Department to apply for new grant funds of \$50,000, which includes indirect costs of \$1,800 or approximately 3.6 percent of the total grant, from the Federal Urban Park and Recreation Recovery Act of 1978.

**Grant Amount:** \$50,000

**Source of Funds:** Urban Parks and Recreation Recovery Program, National Park Service (Funds provided under the Federal Urban Park and Recreation Recovery Act of 1978).

**Program:** Workrecreation at Latchkey Program

**Grant Period:** Three years beginning when the Recreation and Park Department receives final notification of funding from the Federal grantor.

**Description:** The San Francisco Recreation and Park Department, in order to address the issue of the growing number of children without adequate supervision after school hours, started the Latchkey Program, for children ages 6 to 12, in 1988. The Program, which is located at 17 recreation facilities, is aimed at providing a safe supervised recreation program during critical hours when adult supervision is not available.

The proposed grant funds would be used to hire 15 at-risk youth, ages 15 to 18, to work as childcare assistants in the Latchkey Program and to provide intensive training and counseling to these youth. Ms. Elaine Molinari of the Recreation and Park Department advises that the Department would use available community resources as well as its own expertise to develop a comprehensive approach in its provision of services to the participating youth. The San Francisco Unified School District would provide workshops on tutoring, substance abuse, goal setting, and self esteem. The Mayor's Task Force on Gang Activities would help with education on alternatives to gang activities. Recreation and Park Department staff would provide day-to-day counseling and supervision, leisure time alternatives, as well as work training. Other community resources would be used to help channel the youths into the mainstream by assisting them with special needs, banking, budgeting, finance and personal needs assessment and planning.

April 1, 1992

**Required Match:** \$21,000 (Proposition J, Children Initiative Funds, which are included in the Recreation and Park Department's 1992-93 budget request)

**Indirect Costs:** \$1,800 or approximately 3.6 percent of the total grant

**Comments:** 1. The Recreation and Park Department reports that a detailed budget for the expenditures of the proposed grant will be provided at the time the Department submits its request to the Board of Supervisors for authorization to accept and expend the proposed grant.

2. Ms. Molinari advises that the Department has already submitted the grant application in order to meet the March 16, 1992 deadline for filing for this grant. Therefore, the proposed resolution should be amended to authorize the Department to apply for this grant retroactively.

3. A Disability Access Checklist has been prepared by the Recreation and Park Department and is included in the file.

**Recommendation:** Amend the proposed resolution to authorize the Department to apply for the grant retroactively and approve the proposed resolution as amended.

Memo to Finance Committee

April 1, 1992

Item 1e - File 153-92-3

**Department:** Department of Social Services (DSS)

**Item:** Resolution authorizing the Department of Social Services to expend a supplemental grant of \$59,009, which will include indirect costs equal to \$2,950.

**Grant Amount:** \$59,009

**Grant Period:** October 1, 1991 to September 30, 1992

**Source of Funds:** U.S. Department of Health and Human Services (DHHS), Office of Human Development Services

**Project:** Transitional Residential Infant Program(TRIP)

**Description:** The Board of Supervisors previously authorized the DSS to expend a grant in the amount of \$386,946 (File 153-91-6), and to apply for and accept up to \$60,000 in augmentation funds for the TRIP project. The proposed resolution would authorize the DSS to expend the grant augmentation funds of \$59,009 for the TRIP project. The TRIP project provides various counseling, medical and social services to families whose infant children are at risk of being removed from the home by the DSS because of parental drug/alcohol addiction. Such services include drug counseling, parenting classes, family counseling, home management skills training, employment counseling, income maintenance services, preventive prenatal instruction and support services in the home. The DSS is responsible for administering the TRIP project. The DSS contracts with various community agencies to provide client services at the Mt. St. Joseph - St. Elizabeth facility at 100 Masonic Avenue. According to DSS, the services provided to program clients are intended to prevent the likelihood of future DSS interventions, which may result in a separation of the parent from the child in order to protect the child's welfare.

Budget:	Original Augmentation		
	<u>Grant</u>	<u>Grant</u>	<u>Total</u>
<u>Program Consultants</u>			
Program Consultant (.33 FTE)	\$21,000	\$0	\$21,000
Program Analyst (.10 FTE)	4,000	0	4,000
Pediatrician (.07 FTE)	<u>9,338</u>	<u>0</u>	<u>9,338</u>
Subtotal (.50 FTE)	\$34,338	\$0	\$34,338

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



	Original Grant	Augmentation Grant	Total
<u>Contractual and Services</u>			
University of California, San Francisco (Early Parenting)	\$35,567	\$0	\$35,567
Haight Ashbury Clinic	42,028	0	42,028
University of California, San Francisco (Clearinghouse)	43,239	0	43,239
Mt. St. Joseph-St. Elizabeth	<u>244,500</u>	<u>56,059</u>	<u>300,559</u>
Subtotal	365,334	56,059	421,393
<u>Work-Order-DPH</u>			
Public Health Nurse (.50 FTE)	31,225	0	31,225
<u>Indirect Costs</u>	<u>21,545</u>	<u>2,950</u>	<u>24,495</u>
Total (1.00 FTE)	\$452,442	\$59,009	\$511,451
Less carryover from prior year grant	<u>(\$65,496)</u>	<u>0</u>	<u>(\$65,496)</u>
Total	<u>\$386,946</u>	<u>\$59,009</u>	<u>\$445,955</u>

**Required Match:** None.

**Indirect Costs:** \$2,950 or approximately five percent of the total grant award of \$59,009.

**Comments:**

1. As noted above, the grant period for the proposed augmentation grant began on October 1, 1991. Mr. Walter Maciak of the DSS reports that this grant period reflects the grant period for the original grant of \$386,946. However, Mr. Maciak indicates that the DSS has not yet expended any of these proposed augmentation funds. Therefore, the proposed resolution does not have to be amended to authorize the DSS to expend the proposed grant funds retroactively. Mr. Maciak anticipates that the proposed grant funds would be received by the DSS pending approval by the Board of Supervisors of the proposed resolution, and the proposed funds would be spent through September 30, 1992.

2. Also as noted above, the proposed augmentation funds of \$56,059 (excluding the indirect costs of \$2,950), would be provided to Mt. St. Joseph's - St. Elizabeth. Mr. Maciak reports that this contractor offers a variety of family services for 90 families. Mr. Maciak also reports that these services include assessment, drug counseling, parenting classes, family classes, family counseling, home management

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

training, child care and employment counseling. Mr. Maciak indicates that the \$56,059 in proposed supplemental funds would be used to increase the amount of child care and case management services available to these 90 families and also provide on-going training to staff.

3. The DSS has completed a Disability Access Checklist which is in the file.

4. Attached is the "Summary of Grant Request" as completed by the DSS.

**Recommendation:** Approve the proposed resolution.

Grantor Admin. Children & Family  
 Grantor Contact Person Pat Campiglia  
 Address P.O. Box 1182  
Washington, D.C. 20013  
 Amount (Requested/Approved) \$59,009  
 Term From Oct 1991 To Sep 1992

DSS Program Family & Childrens Svcs  
 Program Contact Person Lillian Johnson  
 DSS Contract Manager Walter Maciak  
 Telephone (415) 557-5581

Source of Funds: Federal/State/Other \_\_\_\_\_

Board of Supervisors: Finance Committee: Date \_\_\_\_\_

I. Action:

Request to (apply for) (except and expend) a (new) (continuation) (allocation) grant in the amount  
 \$ 59,009 for the period beginning October 1991 to October 1992  
 to provide child care to children @ Family services.  
Center

II. Purpose of grant: The Family Center provides services to families whose infant child  
have been or are at risk of being removed from the home because of parental drug/  
alcohol addiction. The \$59,009 supplemental grant would be used to fund on-site ch  
care services for families receiving training or services at the Program Center.

III. Outcomes/Objectives: (including number of clients to be served)

To provide respite/child care services to families and children who are receiving  
training or services on site.

IV. Effects of reduction/termination of these funds:

No center based child care services will occur.

V. Expenditures:

	<u>Col. A</u> (Last Fiscal Year)	<u>Col. B</u> (Current Year if Any)	<u>Col. C</u> (Proposed)	<u>Col. D</u> (Change)	<u>Req. Match</u>
Grant Amount			\$59,009		
Personnel					
Equipment					
Contracts			56,059		
Mat. & Supplies					
Facilities/Space					
Other					
Indirect Costs			2,950		

VI. City Civil Service Personnel:

No. & Class \_\_\_\_\_

No. & Class \_\_\_\_\_

VII. Brief description of service to be purchased by contract:

VIII. Contractual Services: Open Bid \_\_\_\_\_

Sole Source None

Item 1f - File 172-92-6

- Description:** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)
- Item:** Resolution authorizing the Department of Public Health, San Francisco General Hospital to enter into emergency contracts providing for retroactive payments to Nor-Cal Medical Temps and Western Medical Services.
- Source of Funds:** The SFGH is proposing to submit a supplemental appropriation request in the amount of \$75,000 to the Board of Supervisors to fund these emergency contracts prior to the end of this fiscal year. The SFGH has, as an interim measure, identified funds in its 1991-92 budget to make payments under the proposed emergency contracts until such time as the supplemental appropriation is processed.
- Description:** The DPH, through SFGH is requesting authorization to enter into emergency contracts with Nor-Cal Medical Temps and Western Medical Services in order to permit these firms to continue to provide professional pharmacist registry services to augment staff pharmacy services at SFGH. Section 6.30 of the Administrative Code states that emergency contracts may be entered into if unforeseen circumstances result in "an insufficient number of hospital beds, or the lack of hospital, surgical, mental health or hospital ancillary services, so as to leave patients of the City and County without required hospital or medical services." Section 6.30 also provides that emergency contracts which exceed \$25,000 must be approved by the Board of Supervisors.
- Ms. Hope Kamimoto of the DPH Contracts Office reports that the DPH previously entered into a three-month emergency contract with Nor-Cal Medical Temps which expired March 22, 1992, in the amount of \$5,000. The DPH's contract with Western Medical Services was in the amount of \$50,000 for the period April 18, 1991 to April 17, 1992. Ms. Kamimoto advises that Western Medical Services had expended its entire \$50,000 contractual amount, as of January 28, 1992 and Nor-Cal Medical Temps had expended its entire \$5,000 under the emergency contract as of February 6, 1992. Subsequently, pursuant to Section 6.30 of the Administrative Code, the Purchasing Department entered into emergency Term Purchase Agreements, effective February 1, 1992, with Nor-Cal Medical Temps and Western Medical Services in the amount of \$7,500 each. Western Medical Services expended its entire \$7,500 under the Term Purchase Agreement as of March 11, 1992. As of the writing of this report, Nor-Cal

Medical Temps had expended approximately \$2,500 under the Term Purchase Agreement leaving a balance of approximately \$5,000.

The proposed emergency contract with Nor-Cal Medical Temps would be in a total amount not to exceed \$30,000 for the period March 12, 1992 to April 30, 1992 and Western Medical Services would be in a total amount not to exceed \$45,000 for the period March 12, 1992 to April 30, 1992 for a total amount of \$75,000. The Purchasing Department has issued bids to acquire long term pharmacy registry services. The Department anticipates awarding two contracts by April 28, 1992. The two contracts would be for the period May 1, 1992 to September 30, 1993. The DPH is proposing to submit a supplemental appropriation request in the amount of \$125,000 prior to the end of this fiscal year to pay for the 1991-92 portion (May 1, 1992 to June 30, 1992) of these two long term pharmacy registry contracts.

Mr. David Burris of the SFGH, Pharmacy Administrative Office advises that due to an ongoing shortage of pharmacists, SFGH has used contract pharmacist registry services since 1990. According to Mr. Burris, the Department has utilized contract services to a greater degree than originally anticipated this fiscal year primarily because the Department has experienced difficulty in filling vacant pharmacist positions (currently there are 13 vacant positions and 20.5 filled positions). Four of the 13 vacant positions represent recent vacancies, due to the taking of early retirements.

**Comments:**

1. The monies identified by SFGH to be used on an interim basis to make payments in connection with the two emergency contracts would create a shortfall in SFGH's budget. SFGH's proposed supplemental appropriation in the amount of \$75,000, noted above, would be used to reimburse SFGH's budget and pay for the balance of monies owed under the emergency contracts.

2. The SFGH advises that although the supplemental appropriation to fund the two proposed emergency contracts has not, as yet, been processed or approved, there is a need to process the emergency contracts immediately because Nor-Cal Medical Temps and Western Medical Services are threatening to discontinue their services unless the contracts are approved. The SFGH reports that the final processing of the supplemental appropriation request has awaited the Controller's completion of its annual revenue and



expenditure report which would outline SFGH's available surpluses.

3. Mr. Burris reports that both Nor-Cal Medical Temps and Western Medical Services have continued to provide pharmacist registry services since the funding expired under their respective contracts. As such, the proposed resolution would authorize retroactive payments to both of these firms.

4. Pursuant to Section 6.30 of the Administrative Code, the DPH, SFGH notified the Board of Supervisors regarding the provision of emergency services by Nor-Cal Medical Temps and Western Medical Services within seven days after the emergency services had commenced.

5. The Budget Analyst recommends that the proposed legislation be continued one week in order for DPH to provide more detailed cost information regarding the expenditures to date for Nor-Cal Medical Temps and Western Medical Services and the specific amounts and justifications required for the additional payments needed to be made to these two contractors for the balance of Fiscal Year 1991-92.

**Recommendation:** Continue the proposed resolution.





Item 1g - File 68-92-5

**Departments:** Mayor's Office of Economic Planning and Development (MOEPD)

Department of Public Health; Community Substance Abuse Services (CSAS)

**Item:** Resolution authorizing MOEPD to apply for a Federal grant for the acquisition, rehabilitation and construction of a facility for homeless substance abusers, which includes detoxification, residential treatment and sober housing services.

**Grant Amount:** Not to exceed \$4,000,000

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Project:** Capital costs for a detoxification and housing center for homeless substance abusers.

**Required Match:** No

**Grant Period:** Federal FY 1992

**Description:** HUD's 1992 budget includes funding reserved for the City to construct a detoxification and housing center for homeless substance abusers. Although the proposed resolution would authorize MOEPD to apply for the proposed grant, the facility would be developed and under the operational control of CSAS. MOEPD has not yet developed a budget for the project. However, Mr. Joe La Torre of MOEPD advises that the \$4,000,000 could be used for all project costs, including administrative costs, under a formula developed by HUD.

The proposed facility would accommodate homeless substance abusers on a transitional basis. Residents would participate in detoxification and supportive services on-site to enable them to overcome their substance abuse problem and qualify for job training and other programs to assist in transitioning to permanent housing.

**Project Budget:** To be submitted with the accept and expend application.

**Indirect Costs:** Approximately \$20,000 under the HUD formula.

**Comments:** 1. Dr. Wayne Clark, Director of CSAS reports that the operation of the Detoxification and Housing Center would function under the direction of his office but that the Center would be operated by a non-profit organization.

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2. Mr. La Torre reports that a top level schedule for the project is as follows:

Grant acceptance and site acquisition	1992
Begin construction	1993
Complete construction	1994

3. Dr. Clark reports that the facility would actually be a three-tiered Detoxification, Residential Treatment, and Sober Housing (DASH) facility. A continuum of services would be provided in one facility with three treatment modalities:

- residential modified medical detoxification services (3 to 21 days),
- residential substance abuse treatment services (30 to 90 days), and
- alcohol and drug-free transitional housing (6 months to 2 years).

4. CSAS has identified the following three options for the DASH facility:

- 1) Use the \$4 million to leverage private sector funds to make a large capacity facility;
- 2) Use the \$4 million to construct a smaller capacity facility;
- 3) Use the \$4 million to purchase existing, readily useable, military facilities at the Bayview Hunters Point Naval Shipyard.

The program capacity for each treatment modality, described above, is dependent on the amount of acquisition, rehabilitation, and construction funds ultimately available. The options are further described below.

Option 1

The optimal program as presented in this proposal calls for 245 to 265 beds:

- 20 to 40 beds for detoxification
- 75 beds for residential treatment
- 150 beds for sober housing

Mr. Bill Rumpf of the San Francisco Redevelopment Agency estimates that the costs for the single room occupancy (SRO) beds would be about \$35,000 per bed. Mr. Rumpf states that the costs for the detoxification and treatment might be less, but that for planning purposes that amount is being used for all construction costs. Therefore the cost for the optimal building would be approximately \$8,925,000 (255 beds x \$35,000 per bed). If the SFRA proceeded with the larger facility, then the City could use the proposed \$4 million grant to either leverage private investment (utilizing tax credits or other incentives) or leverage State Health Care bond financing. A site for Option 1 has not as yet been identified.

#### Option 2

Funding limitations might require capacity adjustments downward to a maximum of 114 beds (\$35,000 x 114=\$3,990,000). Minimal capacity would be 20 detoxification beds, 30 residential treatment beds, and 64 sober housing beds. No additional capital funds would be required based on these estimates. A site for Option 2 has not as yet been identified.

#### Option 3

The possibility of refurbishing an existing Officers Quarters at the Bayview Hunters Point Naval Shipyard would cost less than \$4 million to refurbish and would be able to house the maximum number of clients desired. However, there are a number of issues (toxic wastes, other interests such as UCSF) regarding the shipyard that would need to be resolved before this option could be considered. The positive aspects of the Shipyard are the excellent condition of the building and the virtual turnkey nature of occupancy (it is a five-story building constructed in the 1970's).

5. The annual costs per bed for the three different services are currently estimated to be \$36,500 for detoxification; \$20,000 for residential treatment; and \$5,400 for sober housing. Depending on the size of the facility, annual operating costs could range from \$1,675,600 (114 beds as configured above under Option 2) to \$3,405,000 (255 beds as configured under Option 1).

6. According to Dr. Clark, specific funds for operating the facility have not been identified. However, Dr. Clark states that options for operating revenue streams to subsidize the operations of this facility are:

- Medi-Cal reimbursements  
Currently, residential treatment is not Medi-Cal reimbursable. However, recent State legislation makes more likely the approval for future inclusion of drug detoxification and treatment in Medi-Cal funding. Legislation would be required.
- Federal McKinney Shelter Plus Care or other housing subsidies  
Dr. Clark reports that several new Federal Housing and Urban Development (HUD) initiatives specifically try to fund programs with dual problem populations. Applications could be submitted for these operating funds, once the site is established.
- Federal Alcohol, Drug and Mental Health Services (ADMS) grant revenues  
The City has been very successful in securing Federal grant funds. New initiatives are scheduled to be released for five year grants in the fall of 1992. These grants and other Health and Human Services (HHS) grant revenues could be pursued.
- California Homeless Funding Initiatives  
Either new legislation initiatives or existing State funds might be approved.
- City Revenues  
The City has several substance abuse and homeless programs which could be merged with this new facility. Staff and resources could be redirected for operating costs.
- Client Fees (such as rents)  
Especially in the transitional housing area, client fees could support operating costs. Other sources could be directing general assistance, and SSI benefits to offset program costs rather than having funds go directly to the client.

**Recommendation:** Because sites have not been identified for options 1 or 2 and because funds for operating revenues have not been firmly identified, the decision of whether to authorize MOEPD to apply for a Federal grant for the acquisition, rehabilitation and construction of a facility for homeless substance abusers is a policy decision for the Board of Supervisors.



Item 2 - File 161-91-5

**Description:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1991-92; the issuance of tax allocations bonds in an amount not to exceed \$1 million; increase the Agency's annual statement of indebtedness by \$100,000 for Fiscal Year 1991-92; and an amendment to the Indebtedness Limitation Agreement.

**Description:** In response to requests on the part of the 24th Street Revitalization Committee, a committee of 24th Street merchants, City officials, and community agencies, the SFRA is requesting authorization to amend its budget to permit the expenditure of an additional \$1 million for economic development activities on 24th Street between Mission Street and Potrero Avenue. The 24th Street Revitalization Committee originally requested over \$2 million for economic development activities. However, SFRA approved only \$1 million. The proposed economic development activities would include the establishment of a fund to assist local non-profit organizations to acquire property for commercial development. Grants of up to \$250,000 would be awarded to eligible non-profit organizations based on the demonstration of the feasibility of their proposed projects, and the availability of additional funds to support their projects. The recipient of such grants would be required to use the grant for the site acquisition project approved by SFRA and HCD. Recipients would be required to create jobs for low and moderate income people. A minimum of 51 percent of any jobs created through such development would be provided to low and moderate income persons. This proposed program, which does not include staff, facade improvements, and other costs included in the 24th Street Revitalization Committee's original proposal, is currently under review by the Mayor's Office of Housing and Community Development (HCD) and the 24th Street Revitalization Committee and is anticipated to be put in final form in two to three weeks, Mr. Leaman Abrams of SFRA advises.

SFRA proposes to use tax increment funds included in their 1989-90 budget, but never previously expended, to support the 24th Street project. However, 24th Street between Mission and Potrero is outside of the SFRA's program areas, and any tax increment monies spent by redevelopment agencies outside of their program areas, according to State law governing tax increment funds, must support affordable housing, not economic development. To avoid this restriction, if the



proposed resolution were approved, \$1 million would be transferred to the Office of Housing and Community Development (HCD). This \$1 million would be used to support affordable housing programs at HCD. In turn, HCD would transfer \$1 million to the 24th Street Revitalization Committee to be used for economic development. In order to recoup the \$1 million from existing funds transferred to OCD, SFRA is requesting authorization to issue tax allocation bonds in an amount not to exceed \$1 million.

**Comments:**

1. As noted above, SFRA proposes to use tax increment funds included in their 1989-90 budget, but never previously expended, to support the 24th Street project. Mr. Bob Gamble of SFRA advises that approximately \$7 million was budgeted for a housing development on six sites in Bayview/Hunters Point. According to Mr. Gamble, two of the sites have been built, and construction will begin on the remaining four in approximately one year.

2. An Indebtedness Limitation Agreement is a legal agreement developed by the City to limit the amount of tax increment backed bonds SFRA is authorized to issue in a given fiscal year and to limit the amount of tax increment revenues SFRA is able to claim each year. Such indebtedness accumulates from year to year. SFRA has been issuing tax increment bonds for three years; prior to that, SFRA received funds from various sources. (For a description of tax increment bonds, see Comment 6.)

3. The Board of Supervisors approved a cap of \$50 million in tax increment backed bonds in SFRA's fiscal year 1991-92 budget. However, that amount was not specifically written into the Indebtedness Limitation Agreement, and as of November, 1991, SFRA had sold \$56.9 million in bonds. As a result, in November 1991, the Board of Supervisors approved an increase of \$10 million in the Indebtedness Limitation Agreement, from \$50 million to \$60 million, with the understanding that SFRA would include the specific limit of \$60 million in the Indebtedness Limitation Agreement. According to the proposed resolution, the Indebtedness Limitation Agreement would need to be amended to reflect an increase in the \$60 million cap on bond issuance for the proposed \$1 million tax allocation bond issue. However, as noted above, SFRA has issued bonds totalling \$56.9 million, which should allow them to issue up to an additional \$3.1 million in bonds without amending the Indebtedness Limitation Agreement to increase the cap. As of the writing of this report, the Controller has not confirmed that SFRA has not reached the \$60 million cap on bond issuance.

4. Based on 30 year taxable bonds at 9.5 percent interest, to support the proposed \$1 million additional tax allocation bonds, according to the proposed resolution, SFRA would need \$101,680 each year, including the current year, to pay back the proposed bonds. To authorize such a payment, SFRA's Indebtedness Limitation Agreement would be amended under the proposed resolution to increase the tax increment revenues received by SFRA by \$100,000 in each year, including the current year, until repayment of the bonds. Mr. Gamble advises that SFRA has overclaimed the amount needed to pay back existing bonds in 1991-92 by approximately \$500,000. If this is the case, SFRA would not need to amend the Indebtedness Limitation Agreement this year to increase the tax increment revenues they are authorized to receive in order to proceed with the proposed bond issue. As of the writing of this report, the Controller has not confirmed that SFRA has overclaimed the amount needed to pay back existing bonds.

The title of the proposed resolution states that this \$100,000 would be an appropriation. However, this is incorrect, according to the text of the proposed resolution. The title of the proposed resolution should read "increase the Agency's annual state of Indebtedness for Fiscal Year 1991-92," not "appropriation of \$100,000."

5. The Mayor's Office does not need to approve the SFRA's budget or any amendment to SFRA's budget, such as the proposed resolution. However, the Mayor's Office would need to sign any revisions to the Indebtedness Limitation Agreement. As noted above, if SFRA has not reached its cap, either for the issuance of bonds or for tax increment revenues received, it would be unnecessary to amend the Indebtedness Limitation Agreement for 1991-92. However, Mr. Gamble advises that if an amendment to the Indebtedness Limitation Agreement is included in the proposed resolution, instead of only an amendment to SFRA's budget, the Mayor's Office would be included in the approval process.

6. Tax allocation bonds are the same as tax increment backed bonds. Tax increment funds are created as follows: when a redevelopment project area has been defined, the property tax revenue amount in that area is frozen. Any increases in property tax revenues after such a tax revenue freeze are considered attributable to redevelopment activities and dedicated to financing development-related costs in that area. Tax increment funds are usually used to repay tax increment backed bonds that are issued to finance redevelopment activities.

7. 87.5 percent of property tax revenue are revenue to the City's General Fund, so that any increase in SFRA's portion of property tax revenues through this type of financing results in a direct decrease to the City's General Fund revenue. The remaining property tax revenue is distributed as follows: San Francisco Community College District, at 1.3 percent; San Francisco Unified School District, at 7.5 percent; Bay Area Air Quality Management District, at .2 percent; and Bay Area Rapid Transit, at 3.5 percent. In this case, the annual cost would be \$101,680 every year for 30 years (or a total of \$3,050,400 in nominal dollars, and \$1,563,000 present value using a discount rate of five percent over 30 years), the amount required annually to repay the proposed bond, as noted above. The General Fund's portion, at 87.5 percent, would be \$88,970 per year in nominal dollars, or a total of \$2,669,100 in nominal dollars and \$1,367,625 in present value using a discount rate of five percent over 30 years. The property tax revenue to the agencies noted above would be reduced according to their percentage share.

8. As noted above, according to State Community Development law, tax increment funds may not be expended for economic development outside of project areas. The purpose of tax increment funds is to benefit redevelopment project areas. This legislation is technically within the restrictions of the State Community Development law because it transfers tax increment funds to HCD to be spent according to the Community Development law, while using replacement HCD funds for economic development outside SFRA project areas. However, it could be considered to circumvent the intent of the State Community Development law because the result of the proposed legislation would be to use SFRA tax increment funds to support economic development in a non-project area.

9. The Budget Analyst's Management Audit Report of the San Francisco Redevelopment Agency of January 1992, recommended that the Board of Supervisors should not approve any additional funds for SFRA economic development programs until the SFRA Commission adopts and submits to the Board of Supervisors a comprehensive implementation plan and the Mayor's Office of Economic Planning and Development (formerly known as the Mayor's Office of Business and Economic Development) established specific City-wide goals and objectives. According to Mr. Gamble, such a plan is in process, and will take approximately six months to complete.

10. The Budget Analyst does not believe the proposed legislation should be approved because: (1) the proposed

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bonds would support economic development programs while the SFRA Commission has still not adopted and has not submitted to the Board of Supervisors, for approval, a comprehensive implementation plan and the Mayor's Office of Business and Economic Development has not established specific City-wide goals and objectives; (2) the proposed resolution would require a 30 year commitment of \$88,970 per year in General Fund monies, or a total of \$2,669,100 in nominal dollars and \$1,367,625 in present value using a discount rate of five percent over 30 years; (3) the proposed project has not yet been finalized by HCD or the 24th Street Revitalization Committee; and (4) the proposed project is outside of SFRA's project areas, and therefore circumvents the intent of State Community Development law.

**Recommendations:** 1. Do not approve the proposed resolution.

2. If the Board of Supervisors approves the proposed resolution, the title should be amended to read "increase the Agency's annual state of indebtedness by \$100,000 for Fiscal Year 1991-92," not "an appropriation of \$100,000 for Fiscal Year 1991-92."





Item 3 - File 38-92-12

**Department:** San Francisco Public Library

**Item:** Resolution accepting a gift from the Library Foundation of San Francisco on behalf of the San Francisco Building and Construction Trades Council for services valued at \$125,000 for the demolition, asbestos abatement and removal of debris from the structure known as 100 Larkin Street on Marshall Square in the Civic Center.

**Amount:** \$125,000

**Source of Gift:** San Francisco Building and Construction Trades Council

**Description:** In conjunction with construction of the new Main Library to be located at Marshall Square in the Civic Center, the existing office building at 100 Larkin Street will have to be removed. As stated in the proposed legislation, the City has not received any responses to a request for offers to relocate the 100 Larkin Street structure that could meet the construction schedule or budget for the new Main Library.

The San Francisco Building and Construction Trades Council, which built the 100 Larkin Street structure in 1941 with donated labor, has offered to demolish the structure, remove asbestos material, and remove debris from the site with donated labor and equipment. The Building and Construction Trades Council offer would require reimbursement from the City to Council members for insurance costs required for the work and incidental costs. The source of funds for those reimbursement costs would be the 1988 Library Bond fund.

According to Mr. Russ Abel of DPW's Bureau of Architecture, these costs are estimated as follows:

<u>Item</u>	<u>Amount</u>
Insurance Required for Work	\$2,000
Incidental Costs	<u>2,000</u>
Total	\$4,000

**Comments:** 1. The Library Commission approved acceptance of the proposed gift by Resolution number 1587, dated March 3, 1992.



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2. Mr. Abel reports that \$125,000 in 1988 Library Bond funds are currently budgeted for the removal of the 100 Larkin Street structure. The proposed gift would enable the Library to use the previously appropriated \$125,000 to upgrade the new Main Library's interiors by that amount, less the reimbursement costs previously described.

**Recommendation:** Approve the proposed resolution.

Item 4 - File 65-92-5

**Departments:** Department of Public Health (DPH)  
Real Estate Department

**Item:** Resolution authorizing a new lease of real property

**Location:** 1360 Mission Street (portion of the 4th floor)

**Purpose of Lease:** Office space for (1) the AIDS Information and Education (I&E) Unit, (2) Prevention/Training (P/T) Center, (3) staff assigned to the enhanced HIV Counseling Model Study and (4) the Universal Infant Immunization Demonstration Project.

**Lessor:** Vilo Properties, Inc.

**No. of Sq.Ft. and Cost:** 6,300 sq.ft. @ \$0.81 sq.ft./mo. = \$5,103/mo.

**Annual Cost:** \$61,236

**Source of Funds:** Five Federal grants from the U. S. Department of Health and Human Services and the Centers of Disease Control (CDC) and one State grant from the California Department of Health Services, Immunization Services and \$100,000 of General Fund monies for alterations.

**Term of Lease:** This lease would commence upon the date that this resolution is approved by the City or upon satisfactory completion of certain alterations, whichever occurs later, and would end December 31, 2002 (ten years)

**Utilities and Janitorial Services:** Paid for by the City

**Description:** Mr. Carlos Rendon of the DPH reports that a total of 46 staff persons will occupy space at the 1360 Mission Street site. Of the 46 staff, 22 are existing positions assigned to the AIDS Information and Education (I&E) Unit and the Prevention/Training Center (P/T Center) and 24 are new project positions that are funded by Federal and State grant funds and are scheduled to be filled prior to the end of the fiscal year.

Mr. Rendon advises that 14 of the existing 22 positions are located at 1370 Mission Street and 8 are housed at City-owned property at 356 Seventh Street (City Clinic for Sexually Transmitted Diseases). According to Mr. Rendon, the space available at these two locations is no longer adequate due to overcrowding. Of the 14 staff located at 1370 Mission Street, 7

are assigned to the P/T Center and 7 are assigned to the AIDS I&E Unit. The total square footage at the 1370 Mission Street site is 1,620 sq.ft. (excluding common areas - i.e., hallways, lobbies, totalling 686 sq. ft. for a total of 2,306 square feet), of which 831 sq.ft. is office space, for an average of 59 sq.ft. per staff person for the 14 positions and 789 sq.ft. is conference, lunch room and storage space. The 8 staff currently housed at the City-owned property at 356 Seventh Street are assigned to the AIDS I&E Unit. These 8 AIDS I&E Unit staff share office space with 40 other Clinic personnel. According to Mr. Rendon the total square footage available for all 48 staff persons is 2,099 sq. ft. or 43.7 sq. ft. per staff person.

The proposed relocation of the 14 P/T Center and AIDS I&E Unit staff would result in the cancellation of the existing lease at 1370 Mission Street. The cost of that existing lease is \$1,937 monthly provided for by Federal grant monies. According to Mr. Rendon, the space vacated at 356 Seventh Street by the 8 AIDS I&E Unit staff would continue to be utilized as office space by the remaining 40 Clinic personnel in order to alleviate the general overcrowding in the Clinic.

The 6,300 square feet of space available at the proposed 1360 Mission Street site would provide approximately 900 sq. ft. of common areas, 650 sq. ft. of conference and storage area, and 4,750 sq. ft. of office space or an average of 103 sq. ft. per staff person for the 46 staff to be located at the Mission Street site.

**Comments:**

1. Mr. Rendon reports that of the 24 new positions, 15 are scheduled to be hired for the HIV counseling Model Study by May of 1992 and 9 are scheduled to be hired for the Universal Infant Immunization Demonstration Project by June of 1992. The HIV Counseling Model Study, which is funded by a Federal grant, has a project term of five years. The Universal Infant Immunization Demonstration Project is a three-year State grant funded project. However, the proposed lease would extend for ten years. Mr. Rendon advises that the DPH opted for a ten year lease instead of a five year lease, which would coincide more closely with the grant programs, because (1) the Department anticipates continued funding by the Federal and State grantors when the current grant monies expire based on historical experience and (2) it was more affordable to amortize the alteration costs over a ten year period as opposed to a five year period. Mr. Rendon notes that under the terms of the proposed lease, the City can cancel the proposed lease at any time if City funds become unavailable and are not appropriated by the Board of Supervisors.

2. If this new lease is approved, the total increased monthly lease costs to the City would be \$3,166 (\$5,103 less \$1,937), an increase of 163 percent and the total square feet would increase by 3,994 square feet from 2,306 square feet (including common areas) to 6,300 square feet (including common areas) or an increase of 173 percent.

3. The Real Estate Department reports that the lessor has agreed to complete certain alterations, required by the City, at the 1360 Mission Street site, to be paid for by the City. Such alterations, which are estimated not to exceed \$200,000, would include the installation of walls and ceilings, lighting and electrical work, the installation of heating, ventilation and air conditioning systems and the installation of carpeting. The source of funds for these alterations is General Fund monies and Federal and State grant monies. Under the proposed lease, the City would pay the lessor 50 percent of the cost of said alterations with the first month's rent. The DPH has \$100,000 of General Fund monies appropriated in its 1991-92 budget for this purpose. The remaining balance, which would be paid for with Federal and State grant monies, would be paid to the lessor in 120 equal monthly installments including interest on the unpaid balance not to exceed 10 percent as additional rent, subject to the City's tenancy existing for the duration. If the City should vacate the premises prior to the end of the 120 months (10 years), according to the Real Estate Department, the City would not be liable to pay any outstanding monies owed on the alterations. The Real Estate Department reports that the actual estimated cost for the alterations has not, as yet, been determined. Based on the alterations costing the maximum \$200,000 allowed under the proposed lease agreement, the total amount of City, Federal and State funds required to pay for the alterations, including ten percent interest over 10 years on \$100,000 or 50 percent of said alterations, is approximately \$258,000. Of the \$258,000, \$100,000 would represent City General Fund costs which does not include any interest and \$158,000 would represent Federal and State funding costs which is to pay for all of the interest costs.

4. According to the Real Estate Department, the proposed monthly rental rate of \$5,103 for 6,300 sq. ft. @ \$0.81 per square foot represents the current fair market rental for the proposed space.

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**Recommendation:** Given that the proposed resolution would authorize a ten-year lease although the two grant funds to support this lease have a three-year and five-year project term and that the precise amount of the alterations has not been finalized, approval of the proposed lease is a policy matter for the Board of Supervisors.



Item 5 - File 25-92-1

**Note:** This item was continued from the March 25, 1992 Finance Committee meeting.

**Department:** Department of Social Services (DSS)

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Security Guard services at 150 and 170 Otis Street, 1440 Harrison Street, 1625 Van Ness and San Francisco General Hospital Facilities.

**Description:** The Controller has determined that contracting for these security guard services in fiscal year 1992-93 would result in estimated savings as follows:

	<u>Lowest Salary Step</u>	<u>Highest Salary Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$692,655	\$818,666
Fringe Benefits	196,011	222,158
Operating Expenses	<u>16,875</u>	<u>16,875</u>
Total	\$905,541	\$1,057,699
 <u>Contracted Service Cost</u>	 <u>638,214</u>	 <u>638,214</u>
 <u>Estimated Savings</u>	 <u>\$267,327</u>	 <u>\$419,485</u>

**Comments:** 1. Security guard services were first certified as required by Charter Section 8.300-1 in 1978 and have been provided by an outside contractor since 1971.

2. The current one-year contract, which expires August 31, 1992, is with Burns International Security Services. The Contracted Service Costs used for purposes of this analysis are the projected costs submitted by Burns International Security Services for the period of September 1, 1992 through August 31, 1993.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.



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4. At the March 25, 1992 Finance Committee meeting, the Business Agent from Local 790 raised some questions regarding the proposed resolution and pending contract for security guard services. Ms. Judy Schutzman of DSS reports that she has provided a copy of this Proposition J Controller's Certification and the existing security guard services contract to the Business Agent from Local 790. In addition, Ms. Schutzman indicates that she has offered to include input and assistance from Local 790 in developing specifications for a new contract which would be developed in July, 1992.

**Recommendation:** Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department SOCIAL SERVICES 45

Contract Services SECURITY SERVICES

For the term starting approximately 9/1/92 through 8/31/93

1) Who performed services prior to contracting out?

It was contracted out since the service was established.

2) Number of City employees laid off as a result of contracting out?

None

3) Explain disposition of employees if they were not laid off.

N/A

4) What percent of a City employee's time is spent on services to be contracted out?

None

5) How long have the services been contracted out?

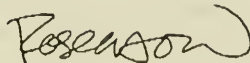
21 years

6) When was the first fiscal year for a Proposition J certification?

1983

7) How will contract services meet the goals of your MBE/WBE Action Plan?

It will conform with the plan.



ROSE CHOW, SR. MGM'T ASST.

Department Representative

557-5404

Telephone



Items 6 and 7 - Files 97-92-5 and 97-92-5.1

**Note:** These items were transferred from the City Services Committee as both items were determined to have a fiscal impact on the City.

1. The proposed ordinance (File 97-92-5) would amend the San Francisco Administrative Code by adding Chapter 21A thereto to require that 1) all City and County Departments and agencies establish in-house waste reduction programs, and 2) all City and County Departments and agencies purchase recycled products to the maximum extent possible.

2. The proposed resolution (File 97-92-5.1) would establish the Board policy that all City and County Departments, agencies, boards and commissions reduce the use of paper products and office supplies and provide written implementation reports to the Office of Solid Waste Management.

3. According to the proposed ordinance (File 97-92-5), various City and County Departments and agencies currently recycle annually a total of 375 tons of office paper, 40 tons of newspaper, 60 tons of lubricating oils, 35 tons of used tires, 10,000 tons of construction and demolition debris, 1,800 tons of organic debris and undetermined amounts of other recyclable products. In addition to these current recycling efforts, the proposed ordinance (File 97-92-5) would require that 1) City Departments establish an in-house waste reduction program in order to reduce the amount of waste generated and disposed of within their operations and to designate a staff person to work in conjunction with the Chief Administrative Officer's (CAO's) Buy-Recycled and Source Reduction Committee, and 2) to require City departments to buy recycled products, meaning any product which can be utilized as a raw material in the manufacture of a new product, to the maximum extent possible. The Buy-Recycled and Source Reduction Committee currently consists of approximately five representatives from the Public Utilities Commission (PUC), Purchasing Department's Reproduction Division, Department of Public Works (DPW), Fire Department and the Airport.

4. The proposed companion resolution (File 97-92-5.1) would set the Board of Supervisors policy that all City and County departments, agencies, boards and commissions reduce the use of paper products and office supplies and provide written implementation reports to the Office of Solid Waste Management. Specifically, the proposed resolution (File 97-92-5.1) would establish the policy of the Board of Supervisors that departments reduce their budget line items for the purchase of paper and office supplies for FY 1992-93 by at least ten percent below current fiscal year expenditures, except if Departments can demonstrate to the Board a "compelling justification for maintaining their procurement budget at a higher level."

5. The proposed ordinance (File 97-92-5) specifies that certain recycled products of various percentages of recovered materials which are specified in the proposed ordinance (File 97-92-5) would have to be purchased by the City, rather than non-recycled products. These certain products are as follows:

Building insulation: including cellulose (loose-fill and spray on), Perlite composite board, plastic rigid foam (polyisocyanurate/polyurethane), rigid foam, foam-on-place, glass fiber reinforced, phenolic rigid foam and rock wool;

Paper products: including bond paper for use as printed City letterhead, high-grade bleached printing or office writing paper, cottonfiber paper, newsprint, toilet tissue, paper towels, paper napkins, facial tissue, placemats (Food and hospital), unbleached packing boxes, brown paper, paperboard and pad backing;

Motor Oils: including gear oils, hydraulic fluids, engine oil;

Tires: including car tires, light and heavy-duty truck tires, high speed industrial tires, bus tires and special service tires (agricultural, off-road and slowspeed industrial);

6. The proposed ordinance (File 97-92-5) would require the City to purchase the above-listed recycled paper products (based on various percentages of recovered materials which are specified in the proposed ordinance rather than non-recycled products, so long as the total cost of these paper products does not exceed ten percent of the cost of non-recycled products. However, the proposed ordinance (File 97-92-5) specifies that re-refined motor oil, retread tires and recycled bond paper (25 percent rag content) for use as printed City letterhead, must be purchased irrespective of any additional costs. It should be noted that on the City's Purchasing Department contract for bond paper (contract 96731-A), the current price for recycled bond paper with 25 percent rag content, (\$4.35 per ream) is the same price as non-recycled (virgin) bond paper. Therefore, there currently would be no additional costs to the City for purchasing recycled bond paper versus purchasing non-recycled bond paper. Ms. Jeannie Louie of the Purchasing Department reports that even though recycled bond paper is the same price as virgin bond paper, most departments still order virgin bond paper. However, Ms. Louie notes that the Purchasing Department's Reproduction Division uses recycled bond paper.

7. The proposed ordinance (File 97-92-5) also specifies that all bidders, contractors and vendors for the above-listed building insulation materials (cellulose (loose-fill and spray on), Perlite composite board, plastic rigid foam (polyisocyanurate/polyurethane), rigid foam, foam-on-place, glass fiber reinforced, phenolic rigid foam and rock wool) provide the City building insulation products using or containing recycled materials. However, the proposed ordinance (File 97-92-5) would not apply to building insulation materials if it results in any increase in the total monies paid by the City on existing contracts. The proposed ordinance (File 97-92-5) however, would apply to future contracts, irrespective of any increased costs. Mr. Larry Litchfield of the DPW's Bureau of Building Inspection reports that overall it is unclear whether recycled building insulation materials are currently less expensive or more expensive than non-recycled materials. Mr. Litchfield indicates that there may be other factors to consider in selecting a product for the City's use. For example, according to Mr. Litchfield, recycled cellulose would have to be retreated often to meet fire codes, recycled perlite composite board may not provide as much strength or may damage more



quickly. Mr. Paul Robinson of Owens-Corning, a building insulation manufacturer, reports that currently Owens-Corning manufacturers fiberglass containing 10 percent recovered materials, pursuant to State and Federal regulations. Mr. Robinson adds that fiberglass insulation constitutes approximately 80 percent of the total market of building insulation materials. However, Mr. Robinson was unable to provide any cost information for the above-listed building materials which the proposed ordinance would apply to.

8. As noted, as part of the City's paper contract, the cost of recycled bond paper (25 percent rag content) for use as printed City letterhead is the same price as non-recycled (virgin) bond paper. However, Ms. Louie reports that for xerographic (office writing) paper, the cost of recycled paper on average is approximately 23.4 percent greater than virgin paper (\$1.92 per ream for virgin paper versus \$2.37 per ream for recycled paper). Ms. Louie adds that the City purchases approximately 144,000 reams of xerographic (office writing) paper annually. Therefore, the purchase of recycled paper would result in an additional cost to the City of approximately \$64,800 annually (\$341,280 for recycled paper less \$276,480 for virgin paper). However, given that the proposed ordinance (File 97-92-5) would only require the purchase of recycled products, if the total cost of paper products does not exceed ten percent of the cost of non-recycled products, the proposed ordinance (File 97-92-5) would not currently apply to xerographic office paper, which currently costs approximately 23.4 percent more. Therefore, the City would not incur any additional costs because recycled xerographic (office writing) paper would not have to be purchased. Ms. Louie estimates that currently only the CAO's Office, the District Attorney's Office and the Airport use recycled xerographic paper. The existing City contract for xerographic (office writing) paper expires on June 30, 1992.

9. Ms. Louie reports that the minimum purchase order for paper under the City's contract is 100 reams of paper, or 10 cases. Mr. Engle reports that smaller City departments which do not require 100 reams of paper usually order from the Boise Cascade catalog. Mr. Engle also reports that based upon information provided by the Purchasing Department, the Boise Cascade lists virgin xerographic (office writing) paper at \$3.36 per ream, and recycled xerographic (office writing) paper is \$5.22 per ream, a difference of 55 percent. In addition, Mr. Engle reports that the Boise Cascade catalog lists virgin paper for use as printed City letterhead at approximately \$11.57 per ream versus \$16.76 for recycled bond paper (25 percent rag content), or approximately 45 percent greater than virgin bond paper. Ms. Louie adds that overall, most departments still order through the City's contract because better prices are offered (\$1.92 per ream of (virgin) xerographic paper), and only smaller orders for one or two months are placed through the Boise Cascade catalog.

10. Ms. Louie reports that the Purchasing Department intends to test other janitorial paper products, such as toilet tissue, paper towels, paper napkins, facial tissues and placemats, over the next six months in order to determine whether there is any quality differences between virgin and recycled products, and also to identify potential vendors. Ms. Louie indicates that the City's existing contract for janitorial paper products will be extended for six months until November, 1992 in order to evaluate the use of recycled products and identify



potential contractors which offer recycled products. Based upon inventory data provided by the Purchasing Department, for toilet tissue, toilet seat covers and paper towels, approximately \$876,860 is purchased annually, not including paper napkins, facial tissues and placemats. Therefore, a maximum of ten percent, or approximately \$87,686 in additional costs may be incurred annually for these products. However, there may be some cost savings if recycled janitorial paper products are less expensive than virgin janitorial paper products.

11. Ms. Louie also reports that the Purchasing Department currently buys recycled envelopes. According to Ms. Louie, the annual cost of this contract is approximately \$50,000. Ms. Louie indicates that the previous envelope vendor charged the City approximately five percent less for virgin envelopes, or approximately \$2,381 (\$47,619 for virgin envelopes). Ms. Louie reports that because the Purchasing Department wanted to test the use of recycled products, the Department decided to test recycled products on a smaller contract, where the cost difference was minimal. It should be noted that the proposed ordinance (File 97-92-5) would require the City to continue to purchase recycled envelopes since the cost to the City would not exceed ten percent of the cost of virgin envelopes.

12. In addition, Ms. Louie estimates that the cost of recycled computer paper, on average, is approximately 10 to 15 percent greater than virgin paper. Therefore, given that the cost of computer paper is currently 10 to 15 percent greater than the cost of recycled computer paper, the proposed ordinance (File 97-92-5) would not apply to the purchase of computer paper.

13. Mr. David Cowley of the Purchasing Department's Central Shops reports that the Central Shops is currently testing re-refined motor oil on five vehicles. Mr. Cowley reports that the current cost of virgin oil is approximately \$2.37 per gallon. In addition, Mr. Cowley adds that a distributor located in San Francisco, Peninsula Oil, has indicated that re-refined motor oil would be available through a manufacturer located in Southern California, at a cost of \$4.20 for one barrel, or a reduced price of approximately \$3.29 per gallon for larger quantities bought under a contract. The \$3.29 per gallon price for re-refined oil purchased under a contract is approximately 39 percent greater than the \$2.37 price per gallon of virgin oil. Mr. Marc Rosaaen of the Purchasing Department reports that the Department spends approximately \$212,000 annually for various types of motor oil. Therefore, an additional annual cost of approximately \$82,680 would be incurred, assuming that re-refined motor oil on average is approximately 39 percent greater than virgin oil. However, there are several different types of motor oils which are purchased by the City, so the projected 39 percent increase for re-refined oil may vary among different types of oil, and the actual quantities of motor oil may differ from the projected quantities specified in the motor oil contract proposal. According to the proposed ordinance, re-refined motor oil would be required to be purchased, irrespective of any additional costs to the City.

14. Although the proposed ordinance (File 97-92-5) defines tires as including car tires, light and heavy-duty truck tires, high speed industrial tires, bus tires and special service tires (agricultural, off-road and slowspeed industrial), the proposed ordinance (File 97-92-5) specifies that retread tires would

only be required on 4-tire rear axle trucks. According to Mr. Cowley, Central Shops already currently uses re-tread tires as rear tires on four-tire rear axle trucks. Mr. Cowley indicates that the cost of re-tread tires is approximately \$54 each versus approximately \$133 each for new tires, which is approximately 60 percent less than the cost of new tires. However, Mr. Cowley notes that new tires last nearly 50 percent longer than retread tires, so retread tires would have to be replaced more often. The proposed ordinance (File 97-92-5) would not require retread tires to be used on emergency vehicles such as Police, Fire or ambulances.

15. As noted, the proposed resolution (File 97-92-5.1) would establish the Board of Supervisors policy that all City and County Departments reduce their budget line items for the purchase of paper and office supplies for FY 1992-93 by at least ten percent below current fiscal year expenditures, except if Departments can demonstrate to the Board a "compelling justification for maintaining their procurement budget at a higher level." The Purchasing Department reports that City-wide purchases under the City office products contract are approximately \$1.7 million annually. Therefore, assuming all City departments would reduce their budget line items for the purchase of paper and office supplies by ten percent, this could result in a savings of approximately \$170,000 annually. However, as noted above, some City departments purchase office supplies separate from the City contract so the cost savings may be greater than approximately \$170,000 annually.

16. The proposed ordinance (File 97-92-5) would expire ten years from its effective date (2002), and may be extended by the Board of Supervisors by an additional three years. The proposed ordinance (File 97-92-5) also would require the CAO's Office of Solid Waste Management to provide annual written reports to the Board of Supervisors on the status of the proposed ordinance.

16. In summary, under the City's contract, the current price of virgin bond paper (25 percent rag content) is the same as recycled bond paper (25 percent rag content), recycled xerographic (office writing) paper exceeds ten percent of virgin xerographic (office writing) paper and therefore would not have to be purchased and retread tires are less expensive than new tires, although they would require more frequent replacement. However, there may be significant costs associated with the purchase of re-refined motor oil which is approximately 39 percent more expensive than virgin oil (approximately \$82,680 in increased costs annually), the purchase of other recycled paper products such as toilet tissue, paper towels, paper napkins, etc. (approximately \$87,686 in increased costs annually) and the cost of recycled building insulation materials which may be more expensive than new building materials. Some of these potential cost increase may be offset by the proposed resolution (File 97-92-5.1) which could result in an estimated cost savings of approximately \$170,000 annually.

### **Recommendation**

Approval of the proposed ordinance (File 97-92-5) and the proposed resolution (File 97-92-5.1) are policy matters for the Board of Supervisors.



Memo to Finance Committee  
April 1, 1992

Item 8 - File 101-91-53

**Note:** This item was continued by the Finance Committee at its meeting of March 18, 1992.

**Department:** Department of Public Works (DPW)  
Bureau of Engineering (BOE)  
Clean Water Program (CWP)

**Item:** Supplemental Appropriation Ordinance for capital improvement project (Wastewater Reclamation Master Plan), Public Works for fiscal year 1991-92.

**Amount:** \$1,346,000

**Source of Funds:** 1988 Sewer Revenue Bonds

**Description:** The Board of Supervisors previously approved two ordinances (Files 188-91-2 and 188-91-5) regarding the use of reclaimed water by water users in San Francisco. These ordinances (Files 188-91-2 and 188-91-5), provided for a comprehensive non-potable and reclaimed water use program to reclaim and reuse treated wastewater to assist in meeting future water requirements of the City. This ordinance (File 188-91-5) also directed the completion of the Wastewater Reclamation Master Plan by November, 1994. The proposed supplemental appropriation request would be used to fund the development of the Wastewater Reclamation Master Plan.

The DPW's CWP reports that the Master Plan process includes the development and completion of a Master Plan which would involve the following tasks: pilot studies to determine the necessary level of treatment for future Bayside reclamation facilities, preparation of appropriate environmental review documentation, coordination of necessary State, regional and local regulatory approvals and Real Estate investigation for the securing of site reclamation facilities within the City.

The DPW's use of the proposed supplemental funds as originally requested and as now revised is outlined below:



	<u>Original Request</u>	<u>Revised Request</u>
<u>Contractual Services</u>		
James M. Montgomery Engineers, Inc.(JMM)	\$ 400,000	\$512,929
Environmental Science Associates, Inc. (ESA)	<u>200,000</u>	<u>189,956</u>
Total Contractual Services	\$ 600,000	\$702,885
 <u>DPW's Bureau of Engineering</u>		
	380,152	380,152
 <u>Departmental Work Orders</u>		
DPW Bureau of Water Pollution Control	110,000	110,000
DPW Bureau of Construction Management	32,000	32,000
City Attorney	33,000	33,000
City Planning - Office of Environmental Review	50,000	50,000
City Planning EIR Fees	46,848	46,848
DPW Bureau of Environmental Regulation & Management	24,000	24,000
Real Estate	<u>20,000</u>	<u>20,000</u>
Total Department Work Orders	\$ 315,848	\$315,848
 <u>Equipment</u>		
	<u>50,000</u>	<u>53,000</u>
Total proposed Supplemental Appropriation	\$1,346,000	\$1,451,885

**Comments:**

1. As noted above, the total supplemental appropriation revised request is \$1,451,885 instead of \$1,346,000, which is \$105,885 greater than the amount included in the proposed supplemental appropriation ordinance. As noted above, the \$105,885 increase can be attributed to a \$3,000 increase for equipment, a \$112,929 increase in the JMM contract amount, which was increased to \$512,929 from \$400,000 and a decrease of \$10,044 in the ESA contract (\$3,000 equipment + \$112,929 JMM contract - \$10,044 savings from ESA contract = \$105,885). The DPW reports that the JMM contract amount increased by \$112,929 because of the following additional tasks required which were not included in the original contract amount: estimate mitigation costs for plant sites, expansion of master plan, review of pilot plant studies, evaluate standards, and evaluate condition of Laguna Honda and Mission Bay layout. The DPW has reviewed these tasks and concurs with the additional requested amount.

2. Approximately \$40 million in bond funds remain, so there are additional bond funds available for the revised request of \$1,451,885. As previously reported by the Controller's Office on a similar supplemental appropriation ordinance (File 101-91-30) funded through Sewer Revenue Bonds, given that the proposed supplemental appropriation request is for a capital

improvement project, the Board of Supervisors can increase the amount.

3. The DPW reports that the total project requirements over three years for the development and implementation of a Wastewater Reclamation Master Plan would be \$4,017,885. The breakdown of funds would be as follows:

<u>FY 1991-92</u>	
Proposed Supplemental Appropriation	\$ 1,451,885
<u>FY 1992-93</u>	
DPW	862,000
San Francisco Water Department	1,008,000
<u>FY 1993-94</u>	
DPW	528,000
San Francisco Water Department	<u>168,000</u>
Total Project Requirements	\$4,017,885

Funds requested as part of the DPW's and Water Department's budget for FY 1992-93 and FY 1993-94 would be subject to annual appropriation approval by the Board of Supervisors.

4. The proposed contractor for the completion of the Master Plan would be James M. Montgomery Engineers, Inc. (JMM) for the wastewater reclamation project. Ms. Karen Kubick of the DPW's Bureau of Engineering reports that the Request for Proposals (RFP) for the Master Plan consultant was issued in December, 1989, and JMM received the notice to proceed from the City to begin work on the Master Plan in July, 1990. Ms. Kubick reports that to date, the Board of Supervisors has previously appropriated and the DPW has expended \$400,000 and the San Francisco Water Department has expended \$500,000 for JMM contract work for a total of \$900,000 for reclamation planning.

The average hourly rates for JMM ranges from approximately \$10 per hour for clerical staff to \$45 per hour for principals, not including overhead. Including overhead the average hourly rate is approximately \$114 per hour.

5. JMM is neither a local, MBE or WBE firm. However, approximately 27 percent or \$376,427 of JMM's total contract of \$1,412,929 (\$900,000 previously appropriated plus \$512,929 from the proposed supplemental appropriation) would be provided to MBE and WBE subcontractors.



6. Environmental Science Associates, Inc. (ESA) would complete the environmental review work for the reclamation plan. Ms. Kubick indicates that ESA was selected through a RFP process which was issued in October, 1991. ESA's hourly rates range from \$13.80 per hour for clerical staff to \$44 per hour for management staff, not including overhead. Including overhead, the average hourly rate is approximately \$68 per hour.

7. ESA is neither a local, MBE or WBE firm. However, Ms. Kubick notes that participation from MBE and/or WBE firms, would total \$76,200, or approximately 40 percent of the revised \$189,956 ESA contract amount.

8. The \$380,152 budgeted for the DPW's Bureau of Engineering would be used for approximately 5,404 hours of existing staff time, at an average hourly rate of \$70.35, for the completion of project management, contract administration, scheduling, pilot plant studies, and environmental functions. Ms. Kubick indicates that the hourly rates for project staff with overhead range from \$62 per hour for an Associate Engineer to \$95 per hour for a Project Manager III.

9. The \$110,000 budgeted for DPW's Bureau of Water Pollution Control would be used for approximately 2,000 hours of existing bond-funded staff time, at an average hourly rate of \$55, to complete the pilot plant study of a Bayside reclamation facility.

10. The \$32,000 budgeted for the DPW's Bureau of Construction Management's Public Affairs Division would be used for approximately 300 hours of existing bond-funded staff time, at an average hourly rate of \$60 per hour. Ms. Kubick reports that a lump sum of \$14,000 was also included for public information documents for project information and updates through its Citizens Advisory Committee.

11. The \$33,000 budgeted for the City Attorney's Office would be used for approximately 300 hours of existing staff time, at an average hourly rate of \$110, for assistance in drafting various regulatory approvals which may be needed from State, regional and local regulatory agencies.

12. The \$50,000 budgeted for City Planning's Office of Environmental Review would be used for environmental review assistance and for the securing of approvals from State, regional and local regulatory agencies. Mr. Don Munakata of the DPW's Bureau of Engineering reports that approximately 67 percent of an existing Planner III would be required from approximately April, 1992 through October,

1993. The annual salary for a Planner III is approximately \$50,700. Ms. Kubick explains that the difference between the services that the environmental review consultant ESA and the Planning Department is that ESA would be preparing the environmental documents, holding public meetings and evaluating any potential impacts caused by the construction or operation of the project facilities. Ms. Kubick further explains that the Planning Department would review the documents for the Master Plan and also would brief with the Planning Commission.

13. The \$46,848 budgeted for City Planning Environmental Impact Report (EIR) fees would be used for environmental review fees which would be required for the implementation of the reclamation facility. Ms. Kubick notes that this amount was based upon the projected construction estimate for the reclamation facility of \$91.3 million or approximately .05 percent of the projected construction estimate.

14. The \$24,000 budgeted for the DPW's Bureau of Environmental Regulation & Management would be used for assistance with the pilot plant study for the Bayside reclamation facility, including assisting with review of materials, sampling and providing recommendations for the Master Plan. Ms. Kubick indicates that the cost for assistance ranges from \$55 to \$100 per hour, including overhead, or on average approximately \$77.50 per hour for approximately 310 hours.

15. The \$20,000 budgeted for the Real Estate Department would be used for the Real Estate Department's assistance in property investigation and the securing of property agreements as part of determining potential site reclamation facilities within the City. Mr. Harry Quinn of the Real Estate Department reports that the \$20,000 estimate for Real Estate was based upon Real Estate staff with hourly rates of approximately \$70 to \$90 per hour including overhead, or \$80 per hour on average, which would result in a total of approximately 250 hours.

16. The revised amount of \$53,000 budgeted for equipment would be used for testing, monitoring and sampling equipment for the pilot study site treatment processing at the Bayside reclamation facility. Specifically, the funds would be used as follows:

Particulate Counter	\$35,000
UltraViolet Pilot Unit	8,000
Ozone Pilot Unit	<u>10,000</u>
	\$53,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

17. Ms. Kubick reports that the Citizens Advisory Committee, which holds monthly meetings regarding various proposed City projects, has raised a question as to whether the proposed Wastewater Reclamation Plan is an appropriate expenditure from Sewer Revenue bonds. The City Attorney's Office is currently drafting an opinion.

- Recommendations:**
1. Amend the proposed ordinance to appropriate \$1,451,885 in funds rather the \$1,346,000 as indicated on the proposed ordinance.
  2. Continue the proposed ordinance as amended, pending the completion of the City Attorney's opinion regarding the use of Sewer Revenue bonds.

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Memo to Finance Committee  
April 1, 1992

Item 9 - File 101-91-7.3

**Note:** This item was continued by the Finance Committee at its meeting of March 25, 1992.

**Department:** Fire Department

**Item:** Request for release of reserved funds for asbestos abatement work at Pump Station #1.

**Amount:** \$281,500

**Source of Funds:** 1986 Fire Protection Bond (Proposition A) Funds - Series 1991B

**Description:** In November 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement Bonds (Proposition A). The Fire Department has used the \$46,200,000 bond sale proceeds to extend and improve the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, pipelines, and pump stations which will provide a source of water for fire protection in the event that the main water supply system fails, as it did following the 1906 earthquake. The bond-funded improvement project is a means to extend the AWSS to previously unprotected areas of the City.

In 1987, the City sold \$31 million of the \$46.2 million in bonds which were approved as Series 1987A bonds, to begin the first phase of the AWSS project. In January 1991, the City sold the remainder of the \$46.2 million approved bond issue by issuing \$15.2 million in Series 1991B bonds, in order to complete the project.

In April 1991, the Board of Supervisors appropriated the \$15.2 million proceeds from the sale of the Series 1991B fire protection bonds to the Fire Department, but reserved \$13,506,943 which was budgeted for a variety of construction projects, pending specific information concerning the amount of the construction contracts and the MBE/WBE status of the selected contractors. Of the \$13,506,943 placed on reserve, a total of \$1,313,977 has been subsequently released leaving a balance on reserve of \$12,192,966.

**Comments:** 1. The DPW reports the request for release of reserved funds would be used as follows:

<u>Asbestos Abatement</u>	
Professional Asbestos Removal Corp.	\$149,950
<u>Contingency</u>	15,000
Approximately 10 percent of the Asbestos Abatement Contract	
<u>Asbestos Monitoring</u>	<u>40,000</u>
Galson Technical Services, Inc.	
Total	\$204,950

2. Mr. Thinh Nguyen of the Department of Public Works (DPW) reports that a Request for Proposal (RFP) has been issued by the DPW, and the low bidder for the project was Professional Asbestos Removal Corporation. Professional Asbestos Removal Corporation is not a City-certified local MBE and/or WBE firm. However, the proposed contract has been approved by the Human Rights Commission.

3. Mr. Steve Mullinix of the DPW reports that the \$40,000 budgeted for Asbestos Monitoring services would be completed under the DPW's existing contract with Galson Technical Services, Inc., which would provide oversight of the abatement work to ensure that all applicable State and Federal health codes are met by the asbestos abatement contractor. Galson Technical Services' hourly rates range between \$45 an hour for a Technician to \$140 an hour for a Senior Consultant. Mr. Mullinix also reports that Galson Technical Services provides Asbestos Monitoring services for other City asbestos abatement projects. Galson Technical Services, Inc. is neither a local MBE and/or WBE firm.

4. As noted above, funds in the amount of \$204,950 are being requested, rather than \$281,500 which is the original request of release of reserved funds. Therefore, funds in the amount of \$204,950 should be released, which is \$76,550 less than the original request of \$281,500.

**Recommendation:** Release the reserved funds in the amount of \$204,950, which is \$76,550 less than the original request of \$281,500.



Item 10 - File 101-91-55.1

**Note:** This item was continued by the Finance Committee at its meeting of March 25, 1992.

**Department:** Controller

**Item:** Releasing \$3,000,000 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:** On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program (Proposition A), to a reserve account to finance the lump sum sick leave and vacation payments.

Some of the positions vacated as a result of Proposition A, such as department head positions and other critical positions, are mandated by the Charter. Other positions, although not mandated are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or critical position, that position can be backfilled, if approved by the Proposition A Committee. The committee consists of the Mayor, General Manager, Personnel, and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council, who serve as advisory members.

On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19 and March 20, 1992, and as a result of its departmental hearings process, recommended that \$1,867,425 for backfilling 199\* General Fund positions be released from reserve. The Finance Committee approved the release of funding in the recommended amount at its meeting of March 25, 1992.

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\* 200 were recommended for release for backfill but one of these positions did not take early retirement.



The Proposition A Committee again convened on March 26, 1992, and is now requesting that \$679,147 of the remaining \$1,132,575 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 169 General Fund positions. Attached is a report listing the positions to be backfilled and the amounts needed recommended by the Proposition A Committee. In addition, the last page of the Attachment identifies the total number of persons retiring from each City department, those positions that are non-General Fund and/or mandated, the positions approved on March 25, 1992 and proposed for April 1, 1992 by the Finance Committee for backfilling, the overall percent of positions to be backfilled for each department and the number of positions remaining.

**Comment:**

1. A representative of the Budget Analyst's Office attended the Proposition A Committee meeting of March 26, 1992. Observations on the Committee's processes are as follows:
  - a. The procedure specified in Proposition A for determining which positions are to be abolished is as follows:
    - (1) The Mayor convenes a review committee (Proposition A Committee) immediately after the Employee's Retirement Board has transmitted to the Mayor's Office a list of all positions vacated as a result of the early retirement incentive created by Proposition A.
    - (2) The Proposition A Committee reviews all positions identified for the purpose of determining which positions must be filled (mandatory positions) according to specified criteria.
    - (3) The Committee calculates the number of non-mandated positions that were vacated as a result of early retirement, reviews each non-mandated position, and makes a recommendation as to which positions should be abolished, giving special attention to reviewing these positions with salaries in excess of \$60,000.
    - (4) The Mayor reviews the recommendations of the Proposition A Committee and abolishes in the FY 1991-92 budget "at least 500 or 50% of the vacated, non-mandated positions on the list, whichever is greater."
  - b. The process used by the Proposition A Committee differs, procedurally, from the process specified in Proposition A in that the Committee has recommended positions for backfilling prior to the Employee's Retirement Board

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

transmitting to the Mayor's Office a list of all positions vacated as a result of the early retirement incentive created by Proposition A. In addition, the Proposition A Committee is recommending both mandated and non-mandated positions for backfilling at this time. The potential danger in using the current procedure is that a reinterpretation of the definition of "mandated positions" could, if too many non-mandated positions were backfilled, result in an inadequate number of positions to be abolished (minimum of 500).

- c. Although the Committee's procedures are at variance with a strict interpretation of Proposition A, its recommendations for backfilling non-mandatory positions is the result of a conservative process of recommending only approximately 35 percent of the non-mandatory positions that are being vacated by Proposition A retirements. Thus far, in the Committee's selection process a total of 368 positions have been selected for backfill out of 1,054 identified non-mandatory or non-General Fund positions. Presently, the remaining number of non-mandatory positions not recommended for backfill is 686.

**Recommendations:** 1. Release funds in the amount of \$679,147 for the purpose of backfilling the 169 positions identified by the Proposition A Committee at its meeting of March 26, 1992.

2. Prior to the release of any additional reserve funds, the Proposition A Committee should identify a minimum of 500 specific General Fund positions to be eliminated from the fiscal year 1991-92 budget.

## City and County of San Francisco

## Office of Controller

Attachment  
Page 1 of 5



March 30, 1992

Finance Committee  
Board of Supervisors  
Room 235, City Hall  
San Francisco, CA 94102

RE: Early Retirement Backfills

Dear Gentleman:

Attached is a list of 169 general fund funded positions approved for back filling by the Proposition A - Early Retirement Committee at its meeting of March 26. Also attached is a summary of the action of the Proposition A - Early Retirement Review Committee to date by department.

Once again, the Committee closely reviewed any positions with an annual salary in excess of \$60,000 as required by the Early Retirement legislation. Positions authorized with annual salary cost in excess of the \$60,000 threshold are indicated on the attached list with an asterisk. The Committee recommended back filling of a position from the date at which the department and Civil Service reasonably considered a replacement might be hired to the end of the fiscal year to minimize the amount of General Funds required.

Your approval to release \$679,1407, of the remaining \$1,132,575, from the \$3,000,000 supplemental appropriation made for the purpose of back filling these mandated and critically needed positions is requested.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Edward Harrington", written over a horizontal line.

Edward Harrington  
Controller

cc: Prop A Committee Members  
Budget Analyst

## POSITIONS APPROVED BY PROPOSITION A COMMITTEE ON 3/28/92

DEPARTMENT	CLASS	COUNT	MAN- DATED	NON MAN- DATED	AMOUNT
3	CITY ATTORNEY				
	8182 HEAD ATTORNEY	1 *		1	\$24,260
	8184 CHIEF ATTORNEY II	1 *		1	\$28,358
	8185 CHIEF, BUREAU OF CLAIMS	1 *	1		\$1 **
	Total:	3			\$52,619
8	TREASURER-TAX COLLECTOR				
	4224 PRINCIPAL AUDITOR	1		1	\$6,378
	4322 CASHIER	1		1	\$4,215
	4340 CHIEF INVESTIGATOR	1		1	\$6,503
	Total:	3			\$17,096
9	CONTROLLER				
	1218 PAYROLL SUPERVISOR	1		1	\$10,796
	1652 SENIOR ACCOUNTANT	1		1	\$8,769
	1654 PRINCIPAL ACCOUNTANT	1		1	\$10,637
	1679 FINANCIAL REPORTS SPECIALIST	1 *		1	\$15,993
	1736 COMPUTER OPERATOR	1		1	\$6,483
	1864 SR. SYSTEMS ANALYST	1		1	11966
	1866 SYSTEMS & PROCEDURES SUPV	1 *		1	\$13,851
	1876 DATA PROCESSING PROGRAMMING SUPV	1		1	\$12,565
	Total:	8			\$91,060
12	JUVENILE PROBATION				
	1924 MATERIALS & SUPPLIES SUPV.	1		1	\$6,322
	8326 ASST. DIRECTOR, LOG CABIN	1	1		\$10,599
	8442 SR PROBATION OFFICER	1		1	\$9,537
	Total:	3			\$26,458
29	CITY PLANNING				
	5294 PLANNER IV	1		1	\$12,620
	Total:	1			\$12,620
30	CIVIL SERVICE COMMISSION				
	1426 SR CLERK TYPIST	1		1	\$6,362
	Total:	1			\$6,362
31	FIRE DEPARTMENT				
	7334 STATIONARY ENGINEER	1	1		\$1 **
					\$1
35	MUNICIPAL RAILWAY				
	7322 MACHINIST	1		1	\$9,697
	9131 STATION AGENT	2	2		\$17,614
	9163 TRANSIT OPERATORS	35		35	\$1 ***
	Total:	38			\$27,312
38	POLICE DEPARTMENT				
	1224 PRINC PAYROLL & PERSONNEL CLERK	1			\$9,344
	1446 SECRETARY II	1			\$7,020

DEPARTMENT	CLASS	COUNT	MAN- DATED	NON MAN- DATED	AMOUNT
	8238 POLICE COMMUNICATIONS DISPATCHER	2			\$17,504
	8250 FINGERPRINT TECH II	1			\$7,883
	Total:	5			\$41,751
40	PUC				
	1762 SR OFFSET MACHINE OPERATOR	1		1	\$5,829
	Total:	1			\$5,829
45	SOCIAL SERVICES				
	1426 SR CLERK TYPIST	3		3	\$17,339
	2907 ELIGIBILITY WORKER SUPV	1		1	\$8,516
	Total:	4			\$25,855
62	ASIAN ART MUSEUM				
	3588 DEPUTY DIRECTOR & CHIEF CURATOR	1 *	1		\$1 **
	Total:	1			\$1
71	REAL ESTATE				
	1454 EXECUTIVE SECRETARY III	1		1	\$1 **
	Total:	1			\$1
75	ELECTRICITY				
	1452 EXECUTIVE SECRETARY II	1		1	\$8,115
	Total:	1			\$8,115
83	PUBLIC HEALTH CENTRAL OFFICE				
	1446 SECRETARY II	1	1		\$4,633 ****
	1654 PRINCIPAL ACCOUNTANT	1	1		\$7,013 ****
	6108 ENVIRONMENTAL HEALTH TECH I	3	3		\$15,530 ****
	6110 ENVIRONMENTAL HEALTH TECH II	1	1		\$5,836 ****
	6120 ENVIRONMENTAL HEALTH INSPECTOR	2	2		\$15,541 ****
	6122 SR ENVIRONMENTAL HEALTH INSPECTOR	4 *	4		\$33,457 ****
	Total:	12			\$32,010
85	LAGUNA HONDA				
	2302 ORDERLY	20			\$89,621 ****
	2312 LICENSED VOCATIONAL NURSE	1			\$4,793 ****
	2320 REGISTERED NURSE	8			\$59,699 ****
	2322 HEAD NURSE	2 *			\$19,953 ****
	2604 FOOD SERVICE WORKER	3			\$11,324 ****
	2736 PORTER	2			\$7,694 ****
	2760 LAUNDRY WORKER	2			\$7,093 ****
	Total:	38			



DEPARTMENT	CLASS	COUNT	MAN- DATED	NON MAN- DATED	AMOUNT
86	SAN FRANCISCO GENERAL HOSPITAL				
	1428 WARD CLERK	4			\$17,852 ****
	2302 ORDERLY	5			\$22,405 ****
	2305 PSYCHIATRIC TECHNICIAN	2			\$9,723 ****
	2312 LICENSED VOCATIONAL NURSE	8			\$38,341 ****
	2320 REGISTERED NURSE	9			\$67,161 ****
	2322 HEAD NURSE	3 *			\$29,929 ****
	2324 NURSING SUPERVISOR	2 *			\$21,358 ****
	2340 OPERATING ROOM NURSE	2			\$14,925 ****
	2604 FOOD SERVICE WORKER	3			\$11,324 ****
	2908 HOSPITAL ELIGIBILITY WORKER	6			\$30,168 ****
	Total:	44			\$263,185
87	COMMUNITY MENTAL HEALTH				
	2320 REGISTERED NURSE	2			\$14,925 ****
	Total:	2			\$14,925
91	PURCHASING				
	1956 SR PURCHASER	1		1	\$3,946
	7313 AUTOMOTIVE MACHINIST	1		1	\$1 **
		2			\$3,947
	GRAND TOTAL:	169			\$679,147

\* Annual salary is more than \$60,000.

\*\* Position will not require general fund support during this fiscal year.

\*\*\* Funding approved on 3/25/92 for the backfill of 35 transit operators is sufficient to fund the backfill of these positions. Muni needs authorization now to begin the process for the training class for transit operators which starts 7/1/92.

\*\*\* The Health Department is submitting a supplemental which would provide funding to not only fund these positions for the remainder of the fiscal year, but should also provide sufficient funding to replenish the \$3 million of general fund monies set aside for immediate backfills for 3 pay periods worth of funding requested.



**SUMMARY OF PROPOSITION A REVIEW COMMITTEE ACTION BY DEPARTMENT**  
(reflects Committee action through 3/26/92)

DEPARTMENT	TOTAL RETIRES	NON GEN'L FUND & MANDATED	POSITIONS BACKFILLED 3/25/92	POSITIONS RECOMMENDE FOR BACKFILL 4/1/92	POSITIONS % OF POSITIONS BACKFILLED TO TOTAL		REMAINING POSITIONS
					RETIRES		
01 BOARD OF SUPERVISORS	1	0	0	0	0%		1
02 ASSESSOR	9	0	2	0	22%		7
03 CITY ATTORNEY	6	1	0	3	67%		2
04 DISTRICT ATTORNEY	7	0	0	0	0%		7
05 PUBLIC DEFENDER	1	0	0	0	0%		1
06 SHERIFF	1	0	0	0	0%		1
08 TREASURER-TAX C.	15	0	1	3	27%		11
09 CONTROLLER	41	0	0	8	20%		33
12 JUVENILE PROBATION	11	0	0	3	27%		8
13 ADULT PROBATION	6	0	0	0	0%		6
25 MAYOR	3	0	1	0	33%		2
26 COMMISSION ON AGING	4	4	0	0	100%		0
27 AIRPORT	62	62	0	0	100%		0
29 CITY PLANNING	5	0	1	1	40%		3
30 CIVIL SERVICE	6	0	1	1	33%		4
31 FIRE DEPARTMENT	2	0	0	1	50%		1
32 HETCH HETCHY PROJECT	22	22	0	0	100%		0
33 HEALTH SERVICE SYSTEM	3	0	2	0	67%		1
34 HUMAN RIGHTS CO	2	0	0	0	0%		2
35 MUNICIPAL RAILWAY	223	0	55	38	42%		130
36 PARKING & TRAFFIC CO	18	7	1	0	44%		10
38 POLICE COMMISSION	23	0	0	5	22%		18
39 PORT	11	11	0	0	100%		0
40 PUBLIC UTILITIES CO	38	6	0	1	18%		31
41 PUBLIC LIBRARY	30	0	12	0	40%		18
42 RECREATION & PARK	80	10	10	0	25%		60
44 RETIREMENT SYSTEM	4	0	1	0	25%		3
45 SOCIAL SERVICES	103	0	25	4	28%		74
46 WAR MEMORIAL	5	5	0	0	100%		0
47 WATER DEPARTMENT	29	29	0	0	100%		0
48 CO ON THE STATUS OF WOMEN	0	0	0	0	0%		0
49 PUC LIGHT HEAT & POWE	1	0	1	0	100%		0
61 FINE ARTS MUSEUMS	7	0	0	0	0%		7
62 ASIAN ART MUSEUM	1	0	0	1	100%		0
70 CAO	1	1	0	0	100%		0
71 REAL ESTATE	3	0	0	1	33%		2
72 COUNTY AGRICULTURE-	1	0	1	0	100%		0
74 CORONER*	0	0	0	0	0%		0
75 ELECTRICITY	10	0	2	1	30%		7
78 RECORDER	1	0	0	0	0%		1
79 PUBLIC ADMINISTRATOR	2	0	0	0	0%		2
83 PUBLIC HEALTH-C. OFFIC	51	0	8	12	39%		31
85 LAGUNA HONDA	92	0	25	38	68%		29
86 SF GENERAL HOSPITAL	146	0	29	44	50%		73
87 COMM. MENTAL HEALTH	33	0	13	2	45%		18
90 PUBLIC WORKS	130	57	7	0	49%		66
91 PURCHASER	19	0	1	2	16%		16
93 CONVENTION FACILITIES	1	1	0	0	100%		0
TOTAL:	1270	216	199	169	46%		686

\* The Proposition A Review Committee recommended an immediate backfill for the Coroner's Office on 3/1/92. The employee has since rescinded his retirement.

Items 11 and 12 - Files 102-91-12 and 101-91-29

**Note:** These items were continued by the Finance Committee at its meeting of March 25, 1992.

**Department:** Superior Court  
Juvenile Justice Commission

**Items:** Ordinance (File 102-91-12) to amend the fiscal year 1991-92 Annual Salary Ordinance to create one new position for the Juvenile Justice Commission.

Supplemental Appropriation Ordinance (File 101-91-29) to fund the proposed new position and operating costs related to the proposed new position.

**Amount:** \$18,666

**Source of Funds:** General Fund - General Reserve

**Description:** The proposed ordinance (File 102-91-12) to amend the Annual Salary Ordinance would create one new 0589 N Court Assistant, Superior Court position with a biweekly salary range of \$1,443 to \$1,666 and a top step annual salary of \$43,649.

The proposed supplemental appropriation ordinance would fund the proposed new General Fund position and related operating costs as follows:

Personnel Costs

Permanent Salaries - Miscellaneous	\$14,178
Mandatory Fringe Benefits (20%)	<u>2,836</u>
Total - Personnel Costs	\$17,014

Operating Costs

Travel	\$413
Training	113
Other Services	901
Materials and Supplies	<u>225</u>
Total - Operating Costs	\$1,652

Total Requested Supplemental Appropriation	\$18,666
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Mr. Michael Fuller, Director of the Juvenile Justice Commission indicates that the Ombudsman would provide the public with a supportive and independent means to raise concerns, complaints and grievances concerning Youth Guidance Center operations and treatments. According to

Mr. Fuller, the independence of the Office of Ombudsman would be utilized by youth and others who might be distrustful of the authorities and officials involved. The Ombudsman explains the available procedures to resolve concerns, complaints and grievances and offers assistance in the use of those procedures. Mr. Fuller reports that the Ombudsman would monitor the progress of efforts to satisfactorily resolve concerns, complaints and grievances in a prompt, thorough and easily understood manner. The Ombudsman would also review the Youth Guidance Center's operating and treatment systems concerning isolated incidents that, when viewed together, indicate a problem in the operating or treatment systems. A list of the functions of the Ombudsman is attached.

**Comments:**

1. Mr. Fuller reports that the Office of Ombudsman (Ombudsman) to the Juvenile Justice Commission was funded by a Tidelands Grant in fiscal year 1990-91. The Ombudsman program was to have been privately funded for the first two years (1990-91 and 1991-92) but due to the poor economy, private funding for 1991-92 has not been secured. Therefore, the proposed legislation would create a new position to act as the Juvenile Justice Ombudsman and would provide City (General Fund) funding for the new position and Office of Ombudsman operations from December 31, 1991 through June 30, 1992. The Ombudsman position would be a three-quarter time position (30 hours per week).

2. Given that the proposed new position could not be filled until approximately the first week of May, 1992, the proposed supplemental appropriation for the personnel costs could be reduced as follows:

	<u>Requested</u>	<u>Need for Balance of Fiscal Year</u>	<u>Recommended Reduction</u>
Permanent Salaries	\$14,178	\$5,772	\$8,406
Mandatory Fringes	<u>2,836</u>	<u>1,154</u>	<u>1,682</u>
Total - Personnel Costs	\$17,014	\$6,926	\$10,088

In addition, based on discussions with Mr. Fuller, the proposed \$1,652 for operation costs could be reduced by \$1,052 to \$600, as follows:

	<u>Requested</u>	<u>Need for Balance of Fiscal Year</u>	<u>Recommended Reduction</u>
Travel	\$413	\$200	\$213
Training	113	0	113
Other Services	901	250	651
Materials and Supplies	<u>225</u>	<u>150</u>	<u>75</u>
Total - Operating Costs	\$1,652	\$600	\$1,052
Totals	\$18,666	\$7,526	\$11,140

3. Ms Laurie Giorgi of the City Attorney's Office indicates that the Youth Law Center filed a lawsuit against the City in 1990 regarding conditions at Juvenile Hall. According to Mr. Fuller, the previous Ombudsman was called by the Youth Law Center to make depositions on this case. Ms. Giorgi reports that this case is scheduled to go to trial in October, 1992.

4. In addition, Ms. Giorgi indicates that the United States Department of Justice has investigated Juvenile Hall and filed a critical report on the conditions at Juvenile Hall. According to Mr. Fuller, the City has used the Ombudsman's written reports detailing the weaknesses in the operating and treatment systems as a guideline for making improvements in those operating and treatment systems. Mr. Fuller concludes that by using the Ombudsman's reports, the City has been able to focus improvements on the operating and treatment system problems that have shown the U.S. Department of Justice the City's good intentions, possibly forestalling their decision to file litigation against the City.

5. In preparation for this item before the Finance Committee on March 25, 1992, the Budget Analyst was informed that a proposal was being drafted whereby the Juvenile Justice Commission Ombudsman Program would be budgeted in the District Attorney Family Support Division without the use of additional General Fund monies by reappropriating the needed funds from the 1991-92 Family Support Division budget. However, the District Attorney's Office reports that they are not now able to budget such funds for this purpose. Furthermore, Ms. Kate Harrison of the Superior Court has indicated that the Superior Court will not be able to continue to fully fund this position in fiscal year 1992-93. Mr. Fuller reports that he is having discussions with the Public Defender's Office and the Juvenile Probation Department in order to locate where and how this position can be fully funded for fiscal year 1992-93.

6. In light of the City's current fiscal situation including the previously projected \$91.7 million revenue shortfall for Fiscal Year 1992-93, (the Controller, the Mayor's Director of Finance and the Budget Analyst are presently working on an updated Fiscal Year 1992-93 projected revenue shortfall report which is anticipated for completion shortly), and the fact that the future funding in 1992-93 for this position cannot be identified at this time, the Budget Analyst cannot recommend to approve a new General Fund financed proposed Office of Ombudsman at this time. Given that the Mayor's Office and the Juvenile Justice Commission consider this position to be vital and that a trial on conditions at Juvenile Hall is scheduled for October, 1992, consideration for inclusion of this position should be included during the 1992-93 budget hearings, together with all of the other City priorities.

**Recommendation:** Continue creation of a new General Fund position pending consideration of the overall City's FY 1992-93 budget.



## Functions of the Juvenile Justice Ombudsman

The overriding aim of the Office of Ombudsman is to promote the fair, efficient, and effective functioning of the Juvenile Justice System in San Francisco. This is performed through several critical functions, including:

1. Ensuring that the systems and procedures used to supervise, care for, and rehabilitate youth within it are:
  - a) consistent with a youth's legal rights and basic needs
  - b) clearly delineated and understood by all concerned parties
  - c) evenly applied and optimally functioning.
  - d) regularly reviewed to correct individual instances of breakdowns.
2. Applying a methodology of monitoring and oversight of youth grievance systems.

This presupposes the existence of straight forward and effective grievance systems that are readily available, easily understood, trust worthy, and timely in response to concerns raised. Such systems provide immediate, ongoing and uncensored information on areas where reoccurring difficulties occur, from the perspective of those whom the Ombudsman is called upon to assist.

3. Testing the effectiveness and functioning of grievance systems through responses to individual grievances.

It is a primary objective of the Ombudsman to ensure that grievance systems do in fact exist, for each relevant area of the Juvenile Justice System, that fulfil all of the above listed criteria.

4. Evaluating the cumulative impact of grievances to distinguish between isolated and repeated instances of complaints and abuse.

It is an essential objective of the Ombudsman to ensure that the basically "raw" data on potential problems provided through the filing of individual grievances be sufficiently analyzed to discover underlying patterns and that these then be reviewed by appropriate managers and decision makers for possible action.



5. Evaluating other support, care, and rehabilitation systems for their effectiveness and functionality.

The Ombudsman takes a comprehensive view of the entire range of systems that effect the well being of youth in the Juvenile Justice System and determines places for redress, attention, and improvement.

6. Reporting on work in progress.

The Ombudsman has a unique function in reporting to the public and the Juvenile Justice Commission the issues, concerns, and results achieved as a result of performing the above functions.

While the above functions outline the general scope of the work of the Ombudsman they cannot completely convey the scope of communications and confidence building that the Ombudsman facilitates at nearly every level within the justice system. The Office is available to youth, parents, staff, and service providers to assist in their needs and in the proper performance of the administration of juvenile justice. The delineated functions provide a working outline of the categories of the Ombudsman's efforts; the interactions are the context in which the functions take place.

April 1, 1992

Item 13 - File 101-91-62

**Department:** Port Commission

**Item:** Supplemental Appropriation Ordinance appropriating \$860,720 for EPD Services - Electronic Information Processing Steering Committee (EIPSC) and Proposition J/CSC, Outside Training, Data/Word Processing Equipment Lease/Purchase, subject of previous budgetary denial for training, Port Commission for fiscal year 1991-92.

**Amount:** \$860,720

**Source of Funds:** Harbor Operating Fund

**Description:** The Port uses its computer system for accounting, billing, accounts payable, payroll, property management, collections, personnel, inventory, fixed assets, vessel scheduling, budget development and reporting, financial reporting, permit control, and facility and job based cost accounting. The Port's ten-year-old Microdata mini-computer system is nearing the end of its useful life. The Microdata computer is obsolete and the vendor no longer provides maintenance service for this computer. Thus, the Port has started to convert its Microdata mini-computer system and its financial and management applications to a new Digital Equipment Corporation (DEC) mini-computer that would be compatible with the Oracle relational database management system (RDBMS). The Oracle RDBMS is a software program that combines information into a common location referred to as a database. Several users can use this database simultaneously. Oracle was selected as a City-wide standard by EIPSC because it is efficient, it is produced locally, it can be used by persons with no systems background and by sophisticated systems personnel, and it is user oriented. Also, Oracle's range of software applications is useful, given diversity of the City's needs, EIPSC advises.

The Port originally anticipated paying for the proposed system over a four to six year period, and \$255,777 was included in the Port's 1991-92 budget for the first year of that plan. However, because of the Port's immediate need for an updated system, and because revenues are available for this purpose in the Harbor Operating Fund, the Port is requesting funds to purchase all of the needed equipment at once. The \$860,720 requested supplemental appropriation, in combination with \$255,777 included in the current FY 1991-92 budget, for a total of \$1,116,497, would support the following:

<u>Equipment</u>	
DEC 5000 Model 200	\$139,425
Network Interface Cards	38,000
Oracle Software	<u>217,072</u>
Total Equipment	\$394,497
<u>Training</u> (Oracle Financials)	42,000
<u>Consultant Services - Oracle</u>	
Installation	225,000
Property/Management	190,000
Billing	140,000
Payroll	<u>125,000</u>
Total Consultant Services	<u>680,000</u>
TOTAL	1,116,497

**Comment:**

1. The \$217,072 for Oracle software includes \$75,000 to reimburse the Controller's Office for the purchase of five Oracle financial modules which will be the basis for the City-wide conversion of financial applications. The \$217,072 also includes \$45,000 to reimburse the Controller's Office for a portion of the City's master site license agreement with Oracle. The master site license agreement is an agreement whereby the City can receive additional copies of the software at no extra charge for the use of various departments. Ms. Eva Bruce of the Controller's Office advises that the Controller purchased the financial modules, at an approximate cost of \$305,000, and the master site license agreement, at a cost of approximately \$900,000, with the understanding that various City departments would reimburse the Controller when such Departments requested copies of the software. If the proposed project is approved, the General Fund will benefit in the amount of \$120,000 (\$45,000 plus \$75,000), because the Controller has already incurred costs in the amount of \$1,205,000 (\$305,000 plus \$900,000) to purchase Oracle financial modules and the site license agreement. The per unit cost for Oracle software would be \$100,000 each if each Department purchased Oracle separately, Ms. Bruce advises.

2. Oracle would provide the consultant services noted above, at \$680,000. Oracle was selected on a sole source basis because Oracle created the software to be installed, which is used City-wide. However, CG Computer Services, a Human Rights Commission certified WBE firm, and VHX Solutions, a Human Rights Commission certified WBE/MBE firm, would each subcontract a minimum of ten percent of the consultant services contract from Oracle. The percentage assignment of contract dollars to the two MBE subcontractors

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could only be increased. Any increase in the percentage assignment to the subcontractors would be mutually agreed upon by the Port, Oracle and the subcontractors, the Port advises.

3. EIPSC has approved the Port's proposed updated system because it is compatible with other City systems.

4. Since the training funds requested in the proposed supplemental appropriation ordinance were previously denied in the Port's FY 1991-92 budget, the proposed ordinance must be adopted by a two-thirds vote of all members of the Board of Supervisors pursuant to Section 6.306 of the Charter.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.



Item 14 - File 101-91-64

**Department:** San Francisco General Hospital

**Item:** Ordinance providing for supplemental appropriation of MediCal (SB855) Revenues of \$62,902,000; expenditure appropriation of \$38,010,290 (San Francisco General Hospital, other current services); and an increase to the Hospital's Unreserved Fund balance that will decrease the General Fund required contribution by \$24,891,710.

**Amount:** Total revenue of \$62,902,000 will be received after the expenditure of \$38,010,290.

**Source of Funds:** MediCal Revenues (SB 855)

**Description:** Senate Bill (SB) 855, approved by the State Legislature in July 1991, provides a mechanism by which California can receive increased Federal financial participation dollars for hospitals that are designated as disproportionate share providers. Disproportionate share providers are hospitals that provide a disproportionate amount of service to MediCal and low income patients relative to other hospitals. San Francisco General Hospital is San Francisco's only significant disproportionate share provider.

SB 855 provides Federal matching funds to support the City's increasing share of inpatient costs. SB 855 provides these additional funds through a rate increase at SFGH, which totals \$1,750 for each MediCal patient per diem.

The proposed ordinance would (1) appropriate \$62,902,000 in Medi-Cal revenues provided by the rate increase under SB 855 (2) appropriate \$38,010,290 to pay for the City's Share as required under SB 855 specifications, in order for the City to be eligible for the rate increase and (3) increase SFGH's Unreserved Fund balance by \$24,891,710, which will result in decreasing the General Fund required contribution by \$24,891,710.

**Comments:** 1. The amount of SB 855 funds in 1992-93 and subsequent years are unknown at this time. The DPH anticipates that such revenues will increase because the number of MediCal patient days which SFGH provides has been increasing over time. The amount of the rate increase, provided by SB 855, increases at a greater rate as the proportion of indigent and MediCal eligible patients served relative to other patients increases, Ms. Susan Ehrlich of the DPH advises.



2. The February 5, 1992 Joint Report of the Controller, the Mayor's Director of Finance and the Budget Analyst included \$25 million in estimated Federal revenues resulting from SB 855 to offset the 1991-92 deficit (the actual revenues from SB 855 will total \$24,891,710). SB 855 funds must be expended to compensate for unreimbursed medical care at SFGH. Therefore, SFGH will use SB 855 funds for its operating expenses in 1991-92, and will reimburse the General Fund in the amount of \$24,891,710 from its unused budgeted funds.

3. In 1991-92, in order to receive the SB 855 rate increase, San Francisco was required to transfer the total required amount of \$38,010,290 to the State MediCal program at one time, because the program was approved late in the year. However, in future years, San Francisco will be able to transfer funds to the State MediCal program in eight equal installments in the first eight months of the year, per SB 855 program specifications.

**Recommendation:** Approve the proposed ordinance.

Item 15 - File 101-91-63

**Department:** Department of Public Works (DPW)

**Item:** Ordinance appropriating funds for a capital improvement project (Street Reconstruction and Renovation).

**Amount:** \$1,100,257

**Source of Funds:** 1987 Street Improvement Bond Issue Interest

**Description:** The proposed supplemental appropriation would make available \$1,100,257 from interest earned from the 1987 Street Improvement Bond proceeds. This bond issue funded capital improvement projects related to street and sidewalk renovations and traffic signals and safety projects. The proposed supplemental funds would be used for the design and construction of the eight Federally funded pavement renovation projects shown in the Attachment.

The total estimated cost of the eight projects shown in the Attachment is \$8,026,950. A summary of the total estimated cost allocation is as follows:

	<u>Design</u>	<u>Construction</u>	<u>Total</u>
1987 Bond Fund Interest			
(This Request)	\$515,257	\$ 585,000	\$1,100,257
Federal Aid Urban (FAU)		5,372,770	5,372,770
Gas Tax Funds	348,000		348,000
Half-Cent Sales Tax		<u>1,205,923</u>	<u>1,205,923</u>
Total	<u>\$863,257</u>	<u>\$7,163,693</u>	<u>\$8,026,950</u>

**Budget:**

<u>DPW Design Services</u>	\$ 515,257
<u>Contractual Services for</u>	
<u>Construction</u>	<u>585,000</u>
Total	\$1,100,257

**Comments:** 1. Although the title of the proposed ordinance indicates that funds in the amount of \$1,000,257 would be appropriated for a capital improvement project (Street Reconstruction and Renovation), the body of the proposed ordinance indicates that funds totalling \$1,100,257 would be appropriated from 1987 Street Improvement Bond Issue Interest. Therefore, the title of the proposed ordinance should be amended to indicate that funds in the amount of \$1,100,257 would be appropriated

instead of \$1,000,257 as indicated in the title of the proposed ordinance.

2. According to Mr. Joe Ovadia of the DPW, the \$515,257 budgeted for DPW design services would be completed by existing DPW bond-funded staff. Mr. Ovadia reports that approximately 10,305 hours would be provided by DPW staff at an average hourly rate of \$50.

3. Mr. Ovadia also reports that the DPW has not yet selected the contractor for the \$585,000 budgeted for construction. Mr. Ovadia anticipates that a Request for Proposal (RFP) for the construction contract would be issued in January, 1993. Therefore, the \$585,000 budgeted for construction should be reserved pending finalized cost details, and the MBE and/or WBE status of the contractors.

4. Mr. Ovadia indicates that a resolution authorizing the DPW to expend a Federal Aid Urban (FAU) grant, which includes the \$5,372,770 in FAU funds for this project, has been submitted to the Board of Supervisors, and will be calendared by the Finance Committee. In addition, Mr. Ovadia reports that the \$348,000 in State Gas Tax funds have already been received by the DPW. Mr. Ovadia also reports that the DPW would submit the \$1,205,923 for Half-Cent Sales Tax funds in the DPW's FY 1992-93 application to the County Transportation Authority. Mr. Ovadia indicates that the DPW receives approximately \$4 million annually from Half-Cent Sales Tax funds.

5. Mr. Ovadia reports that design services would be performed from approximately April, 1992 through December, 1992 and construction would occur from January, 1993 through December, 1993.


- Recommendations:**
1. Amend the title of the proposed ordinance to indicate that funds in the amount of \$1,100,257 would be appropriated instead of \$1,000,257 as indicated in the title of the proposed ordinance.
  2. Reserve the \$585,000 budgeted for construction pending finalized cost details, and the MBE and/or WBE status of the contractors.
  3. Approve the proposed ordinance as amended.

# REQUESTED AMOUNT FROM BOND INTEREST ACCOUNT

PROJECT TITLE	DESIGN COST	MATCHING SHARE of construction cost	FAU SHARE of construction cost	PROJECT COST
POLK STREET (FELL TO BEACH)	\$115,000 (*)	\$225,000	\$675,000	\$1,015,000
HARRISON STREET (14TH ST. TO 23RD ST.)	\$100,000 (*)	\$150,000	\$450,000	\$700,000
ALEMANY BLVD. (CONGDON TO BAYSHORE)	\$133,000 (*)	\$210,000	\$630,000	\$973,000
PENNSYLVANIA STREET (MARIPOSA TO ARMY)	\$70,950	\$150,000 <sup>2/3</sup>	\$450,000	\$670,950
WEBSTER STREET (DUBOCE TO MACALLISTER)	\$120,000	\$270,000 <sup>2/3</sup>	\$810,000	\$1,200,000
17TH STREET (DOUGLASS TO MARKET)				
18TH STREET (MISSION TO DOUGLASS)	\$88,000	\$193,250 <sup>2/3</sup>	\$579,750	\$861,000
SACRAMENTO STREET (TAYLOR TO MAPLE)				
PACIFIC STREET (VAN NESS TO PRESIDIO)	\$140,000	\$350,000 <sup>2/3</sup>	\$1,050,000	\$1,540,000
POST STREET	\$96,307	\$242,673 <sup>2/3</sup>	\$728,020	\$1,067,000
TOTAL:	\$515,257	\$585,000	\$0	\$0
TOTAL AMOUNT REQUESTED (design cost + matching share of construction cost) =				\$1,100,257

## LEGEND:

(\*) = GAS TAX FUND

 = TO BE FUNDED BY BOND INTEREST FUNDS

(<sup>2/3</sup>) = \$.005 Sales Tax Funds





Memo to Finance Committee  
April 1, 1992

Item 16 - File 52-92-2

**Note:** This item was continued at the Finance Committee meeting of March 18, 1992.

1. The proposed ordinance would create an underground district on Eighth Avenue in the Sunset District.

2. The Department of Public Works (DPW) reports that City's 8th Avenue slope stabilization project removed all utility poles from the rear yards of the residences on the east side of 8th Avenue in order to accommodate a retaining wall brought about by the Loma Prieta earthquake of October, 1989. These electrical and other utility wires were relocated overhead. The proposed ordinance would establish an underground district for the purpose of eliminating overhead electrical and other utility poles, structures or wires. The proposed underground district would be located in the Sunset District in the area bounded by Moraga Street, 7th Avenue, Laguna Honda Boulevard, Ortega Street and 8th Avenue. The proposed ordinance would find that the undergrounding of electrical and other utility poles, structures or wires within this area is in the general public interest by eliminating a heavy concentration of overhead wires in a scenic area. The DPW concurs that such undergrounding would be in the general public interest and recommends approval of this ordinance to create the proposed underground district.

3. Mr. Hin Lok Kung of the Department of Public Works (DPW) reports that pursuant to a State Public Utilities Commission (PUC) agreement between the State PUC and the City, the proposed ordinance, if enacted, would require the Pacific Bell and Pacific Gas & Electric companies to pay for the costs to take down and remove all utility poles, structures or wires from these public streets, or from building to building and place its service conductors in underground conduits. Mr. Kung indicates that also pursuant to the State PUC agreement, Pacific Bell and Pacific Gas & Electric (PG&E) provide annual funding to the State PUC for undergrounding purposes. Therefore, this State PUC funding, derived from Pacific Bell and PG&E, would be used for the undergrounding of Pacific Bell and PG&E utility lines, poles and structures. However, Mr. Kung reports that pursuant to the State PUC agreement, because the street lighting is a City facility, the City would be required to pay for the costs associated with the relocation of existing street lighting. Mr. Kung estimates that the relocation of the street lighting would cost approximately \$40,000, and would be funded with Street Lighting Bond funds.

4. Mr. Kung also reports that the DPW anticipates requesting reimbursement of this estimated cost of \$40,000 in bond funds from Federal Emergency Management Agency (FEMA) funds. However, the DPW has not yet received FEMA approval of reimbursements for this project. Therefore, because the project, in part, would be initially funded through Street Lighting Bond funds at an estimated cost of \$40,000, and because FEMA has not yet authorized reimbursement for the project, the proposed ordinance was determined to have a fiscal impact.



5. Mr. Kung indicates that a public petition was filed by homeowners in the affected area to agree with the proposed underground district. The DPW reports that because the proposed underground district would require homeowners to pay for their costs associated with hookups for undergrounding their utility services, a letter was sent to property owners, and a public hearing was held by the DPW's Director's office to consider any objections to this proposal in October, 1991. Mr. Tom Trimber of the DPW reports that there were no objections to the proposed underground district at the public hearing, and all homeowners in the affected area agree with the proposed underground district. Mr. Kung estimates that electrical contractors would charge a single family home approximately \$600 to \$1,000 to hook up their utility services underground. Mr. Kung also estimates that approximately 40 homes would be affected by the proposed underground district.

6. The DPW anticipates construction to begin in approximately June, 1992 to July, 1992. The proposed creation of an underground district is anticipated to be completed by March 31, 1993. Mr. Kung reports that the contract for relocating the street lighting will be put out to competitive bid.

7. Mr. Kung notes that the purpose of the State PUC undergrounding agreement is to provide for the undergrounding of all overhead electrical and other utility poles, structures or wires eventually Statewide.

8. On March 3, 1992, the City Services Committee recommended approval of the proposed ordinance.

#### Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 17 - File 100-91-1,22

**Department:** Department of Public Works (DPW),  
Bureau of Architecture (BOA)

**Item:** Release of Reserved Funds

**Amount:** \$89,183

**Source of Funds:** Previously appropriated DPW Overhead Funds

**Description:** During the FY 1991-92 budget process, the Mayor recommended reserving \$89,183 included in the DPW's, Bureau of Architecture budget for data processing/word processing equipment, pending the Electronic Information Processing Steering Committee's (EIPSC) approval.

Mr. Gary Johnson of the DPW reports that the proposed data processing/word processing equipment is needed in order to ensure that the Bureau of Architecture meets its increased workload obligations in connection with numerous bond funded projects.

EIPSC has reviewed the DPW's request for the proposed data processing/word processing equipment and has approved the following equipment totalling \$89,183, as follows:

Computer Workstation (Management) (3)	\$18,957
Computer Upgrade	6,319
Word Processing Workstation (3)	14,907
Software	15,000
Laser Printers (2)	4,000
Miscellaneous Computer Accessories	<u>30,000</u>
Total	\$89,183

**Recommendation:** Approve the proposed release of reserved funds in the amount of \$89,183.



Memo to Finance Committee  
April 1, 1992

Item 18 - File 101-90-127.3

**Departments:** Department of Public Works (DPW)  
Bureau of Architecture

**Item:** Release of Reserve

**Amount:** \$6,500,000

**Source of Funds:** 1990 Earthquake Safety Bonds

**Description:** The Board of Supervisors approved a supplemental appropriation ordinance (File 101-90-127) in June of 1991 in the amount of \$26,500,000 for various capital improvement projects. \$16,427,980 of the \$26.5 million appropriation was placed on reserve pending selection of contractors and determination of their MBE/WBE status. Of the \$16,427,980 placed on reserve for architectural, engineering, and construction at various facilities, the share allocated to the the City Hall project is \$11,459,648. This request is to obtain release of \$6,500,000 for the purpose of funding the City Hall Seismic Upgrade engineering services contract.

**Comments:** 1. The structural/mechanical/electrical seismic upgrade engineering team for this project was selected through a Request for Qualifications process. The consultant team selected is shown below, along with their hourly rates, their MBE/WBE status, and contractual amounts:

	<u>MBE/WBE Status</u>	<u>Average Hourly Rate</u>	<u>Contractual Amount</u>
Forrell/Elsesser Engineers, Inc.	LBE	\$88	\$3,525,109
OLMM Structural Design	MBE	88	2,056,313
Tennebaum - Manheim Engineers	WBE	88	<u>293,759</u>
Subtotal Contractors			\$5,875,181
Contingency (approximately 10.6 percent of the total contract)			<u>624,819</u>
Total			\$6,500,000

2. Mr. Tom Thornton of the DPW's Bureau of Architecture reports that the total engineering services contract of \$5,875,181 would provide funds beginning in approximately May, 1992 throughout the end of the City Hall seismic upgrading construction work which is anticipated to be completed by 1996.

3. According to Mr. Thornton, the first phase of the overall City Hall repairs would be performed in areas which have the least impact on the building occupants and services. Later phases of the City Hall repair work are scheduled to begin in November, 1992, and would constitute repair and strengthening of ground and main floor walls at building corners, and possibly the installation of bracing at the ground and main floors. Mr. Thornton indicates that although the initial phases of the proposed City Hall repair project would have minimal impact upon the building tenants and no staff would have to be relocated, later phases would require at least partial and temporary relocation of staff. Mr. Thornton also indicates that details regrading the relocation of tenants would be pending a relocation study, which is anticipated to be completed by the end of December, 1992.

4. Mr. Thornton reports that the DPW is attempting to receive reimbursement from the Federal Emergency Management Agency (FEMA) for the proposed \$6,500,000 in reserved funds. According to the DPW's Bureau of Architecture, the total estimated cost of seismic upgrading construction and earthquake damage repairs for City Hall are estimated at approximately \$117 million, \$23 million of which would be used for earthquake repairs only. Thus far, FEMA has only authorized reimbursements totaling approximately \$2.6 million of the total estimated costs of \$117 million, and none of the \$6.5 million in reserved funds has yet been authorized by FEMA for the City Hall project. Mr. Thornton reports that the DPW is continuing to appeal to FEMA for reimbursement of the City Hall project.

**Recommendations:** Release the reserved funds in the amount of \$6,500,000.

Item 19 - File 96-92-3

**Department:** Real Estate

**Item:** Resolution authorizing the City and County of San Francisco to extend the term of an option to purchase certain air rights from the Society of California Pioneers, above their building at 456 McAllister Street.

**Description:** The Society of California Pioneers owns the two-story building located at 456 McAllister Street between the City-owned buildings located at 450 and 460 McAllister Street. The Real Estate Department reports that the proposed purchase of the air rights would enable the City to construct connecting office space between the Traffic Engineering Building and the City Hall Annex, thereby providing single floors running the entire length of the four buildings (including the proposed new building), from the fourth floor and above, totalling 33,000 square feet per floor, of which 4,125 square feet is the proposed air space. The proposed office building would contain six floors and a basement, consisting of approximately 210,000 gross square feet, including approximately 190,000 square feet of net rentable office space (See Attachment).

Mr. Tony DeLucchi of the Real Estate Department reports that the proposed six story office building would allow for the expansion of some existing offices for the Department of City Planning currently located in the adjacent overcrowded City-owned City Hall Annex located at 450 McAllister. In addition, Mr. DeLucchi reports that currently in the Civic Center area the City leases approximately 350,000 square feet. Therefore, Mr. DeLucchi advises that the City could potentially save lease costs by relocating some of these offices to the proposed office building. Mr. DeLucchi estimates that the average price per square foot which the City pays for office space for Civic Center offices is approximately \$1.30 per month (\$15.60 per year). Therefore, if the City were to construct its own office building and eliminate lease space, the potential annual lease cost savings would be approximately \$3 million for the 190,000 square feet of net rentable office space from the proposed office building. However, Mr. DeLucchi notes that this potential annual lease cost savings may be offset by some City personnel currently located in the City-owned buildings located at 450 and 460 McAllister Street (approximately 45,000 square feet) who would have to relocate to other leased quarters, as a result of the proposed office building. Therefore Mr. DeLucchi estimates that the potential annual lease cost savings would be approximately \$2.3 million, rather than approximately \$3



million for approximately 190,000 square feet of net rentable office space.

The Board of Supervisors has previously approved a resolution (File 96-91-2) authorizing the City to acquire a one-year option to purchase certain air rights from the Society of California Pioneers above their building, estimated at approximately \$360,000. In addition, the Board of Supervisors has previously approved a supplemental appropriation ordinance (File 101-90-48) appropriating \$28,800 for an option for the acquisition of these air rights which expired on December 31, 1991. At the end of this one-year period, on December 31, 1991, the City had three alternatives: 1) to not pursue the construction of the building at this site and relinquish the option on the air rights, 2) to execute an agreement with the Society of California Pioneers to purchase the air rights for \$360,000; or 3) to extend the option period for one more year at a cost of another \$28,800.

The proposed resolution would authorize the extension of this option period until December 31, 1992. This second one-year option would allow the acquisition of air rights until December 31, 1992, would freeze the acquisition of the air rights at \$365,000 (\$360,000 purchase price plus \$5,000 escrow fees), and would allow additional time to determine the feasibility of such a project.

At the Finance Committee meeting of March 25, 1992, the Finance Committee recommended approval to the full Board of Supervisors of a supplemental appropriation request (File 101-91-60) of \$28,800, funded through the DPW's Land Account, which would provide payment for the second option which the proposed resolution would authorize. The DPW's Land Account receives revenues from the sale of surplus City land. In addition, the Finance Committee recommended approval to the full Board of Supervisors of a resolution (File 96-91-2.1) which would declare the official intent of the City and County to reimburse the DPW's Land Account from proceeds of taxable or tax-exempt indebtedness, through financing sources which may include Certificates of Participation (COPs) or bond proceeds. COPs are proportionate interests, in the lease of the property, which are sold to investors. The estimated cost of the proposed building is between \$26 to \$32 million.

**Comments:**

1. Mr. Steve Nelson of the CAO's Office reports that there are several alternatives currently being considered for development and financing of the proposed office building, including using a private developer to finance and construct the building instead of the City. A Request For Proposal

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

(RFP) has been submitted to private developers with a March 13, 1992 deadline, and six proposals have been received. Mr. Nelson indicates that the RFP was for the entire development of the proposed office building, including construction and financing. According to Mr. Nelson, it has not been determined whether the six proposals received are complete and meet the minimum qualifications specified in the RFP. Any proposed development and supplemental appropriation request for project funding would be subject to future approval by the Board of Supervisors.

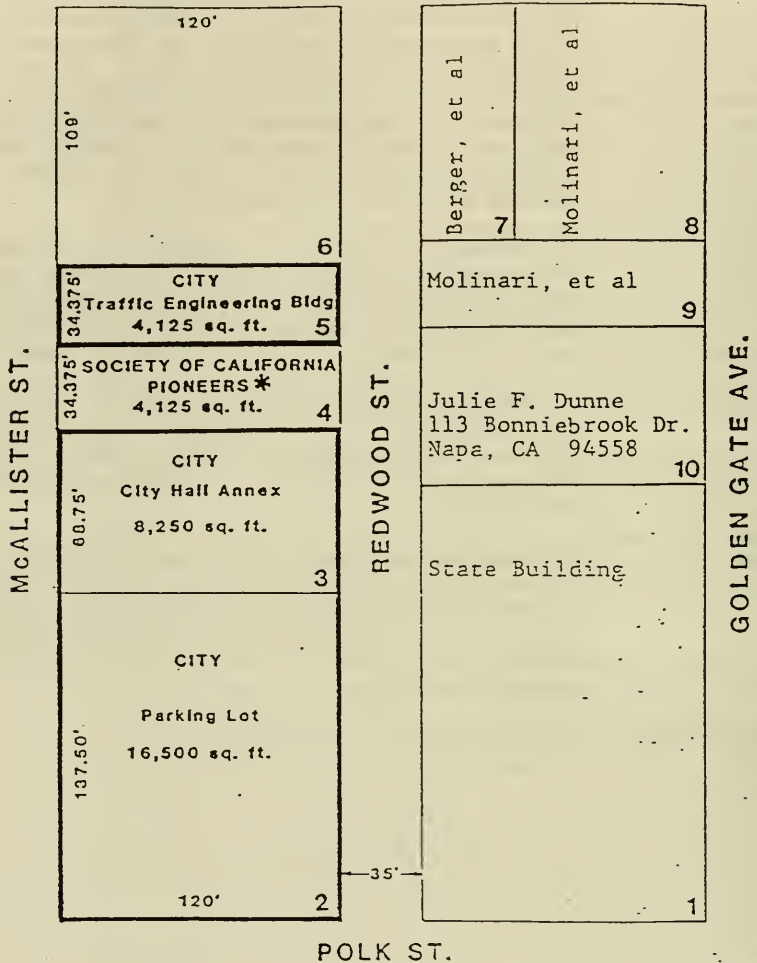
2. According to Mr. Steve Legnitto of the Real Estate Department, the Real Estate Department has not yet completed its review and evaluation of these proposals, and the extension of the purchase option until December 31, 1992 would provide enough time to complete this analysis.

3. The Real Estate Department reports that the proposed option payment of \$28,800 (eight percent of the \$360,000 purchase price for the air rights), which the proposed ordinance would fund (File 101-91-60) represents the fair market value.

4. Given that the Finance Committee established its policy by recommending approval of the supplemental appropriation request (File 101-91-60) of \$28,800, which would provide payment for the option which the proposed resolution would authorize, the Budget Analyst recommends approval of the proposed resolution.

**Recommendation:** Approve the proposed resolution.

VAN NESS AVE.



## SITE MAP

BLOCK 766, LOTS 2, 3, 4, & 5

—	PROPERTY OWNED IN FEE BY CITY	28,875 sq. ft.
*	PROPOSED AIR RIGHTS ACQUISITION	<u>4,125</u>
	TOTAL AREA	33,000 sq. ft.

Item 20 - File 94-91-4.1

**Department:** Public Utilities Commission (PUC)

**Item:** Release of Reserved Funds

**Amount:** \$94,479

**Source of Funds:** Federal and State grants

**Description:** The Board of Supervisors previously approved legislation authorizing the PUC to apply for, accept and expend more than \$17 million in Federal, State and local funding for a variety of transit capital improvement and operating projects (File 94-91-4). At the same time, the Board of Supervisors placed \$94,479, designated for the purchase of data processing equipment, on reserve, pending the Electronic Information Processing Steering Committee's (EIPSC) approval.

Mr. Rod Loucks of the PUC reports that the proposed data processing equipment which primarily includes personal computers and related assessories, will serve to increase staff productivity in regard to word processing and analysis and improve on-going operating efficiency.

EIPSC has reviewed the PUC's request for the proposed data processing equipment and has approved the following equipment totalling \$94,479:

Municipal Railway

Personal Computer (3)	\$9,600	
Personal Computer and Laser Printer (2)	6,400	
Laser Printer (2)	4,000	
Personal Computer & Laser Printer (1)	5,000	
Laptop Personal Computer (1)	5,000	
Testing Laptop Computer (2)	7,100	
Laser Printer (1)	3,025	
Testing Computer and Display (1)	4,875	
Computer Vehicle Monitoring and Testing Equipment	5,825	
Printer (1)	5,400	
Computer Monitor (1)	3,500	
Miscellaneous Computer Assessories	<u>11,427</u>	
Subtotal		\$71,152

Bureau of Personnel and Training

Personal Computer (4)	\$11,200	
Laser Printer (1)	<u>2,600</u>	
Subtotal		13,800

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**BUDGET ANALYST**

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<u>Protective Services</u>	
Personal Computer & Printer	\$3,700
<u>PUC Administration</u>	
Personal Computer and Laser Printer	<u>5,827</u>
Total	\$94,479

**Recommendation:** Release the reserved funds in the amount of \$94,479.

Item 21 - File 146-91-61.2

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Release of reserved funds for Prevention and Education Program to increase safe sex behavior among Closeted Men of Color through the use of targeted radio/television media messages.

**Amount:** \$73,000

**Description:** The Board of Supervisors previously approved a resolution authorizing the DPH to accept and expend a Master Grant from the State Department of Health Services, Office of AIDS (File 146-91-61). As part of the Master Grant Agreement, the DPH oversees Education and Prevention Services which are provided by non-profit organizations as subcontractors. Of the total Master Grant, the Board of Supervisors reserved \$396,458 pending determination of contract budgets. The DPH is now requesting that \$73,000 of that \$396,458 be released. The DPH proposes to contract with Hispanic Headquarters Advertising to increase safe-sex behaviors among Closeted Men of Color in the African American, Latino, Asian/Pacific Islander, and Native American communities through targeted radio and television media messages and public speaking engagements.

**Contract Budget:**

<u>Personnel</u>		
Project Manager (.5 FTE x 2 mos.)	\$4,000	
Media Director (.5 FTE x 2 mos.)	<u>2,000</u>	
Total Personnel		\$6,000

<u>Consultant Services</u>		
African American (80 hours at \$25/hr.)	2,000	
Latino (80 hours at \$25/hr.)	2,000	
Asian/Pacific Islander (60 hours at \$25/hr.)	1,500	
Native American (40 hours at \$25/hr.)	<u>1,000</u>	
Total Consultant Services		6,500

<u>Media</u>		
Transit Advertisements (1,400 internal bus cards at \$3 each)	4,200	
Radio and Television Advertisements (1,086 spots at \$50 each)	<u>54,300</u>	
Total Media		58,500



Contractor's Indirect Costs at 2.7 percent of total  
(includes clerical, bookkeeping,  
City audit and related accounting costs) \$2,000

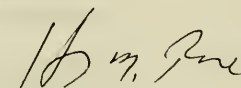
TOTAL PROJECT BUDGET \$73,000

**Comments:**

1. According to the DPH, Hispanic Headquarters Advertising has waived fringe benefits and partial salaries for its employees as an in-kind donation to the proposed project.

2. The consultants for the four groups come from a consortium of four non-profit agencies: the National Task Force on AIDS Prevention and the San Francisco Black Coalition on AIDS, each providing consultancy services on both African American and Latino men; the Asian Pacific/Islander Consortium on AIDS Media, advising on Asian/Pacific Islanders; and the American Indian AIDS Institute, advising on American Indians. In addition, Hispanic Headquarters Advertising has in-house information regarding outreach to closeted Latinos. These agencies were included as part of Hispanic Headquarters Advertising's response to the DPH's Request for Proposal, Mr. Tim Piland of the DPH advises.

**Recommendation:** Release the reserved funds of \$73,000.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Shelley  
Supervisor Hallinan  
President Ward  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

BOARD OF SUPERVISORS  
BUDGET ANALYST

Memo to Finance Committee  
April 1, 1992

Public Library, Documents Dept.

ATTN: Gerry Roth

**REVISED**

Item 14 - File 101-91-64

Budget Analyst Recommendation

**Department:** San Francisco General Hospital

**Item:** Ordinance providing for supplemental appropriation of MediCal (SB855) Revenues of \$62,902,000; expenditure appropriation of \$38,010,290 (San Francisco General Hospital, other current services); and an increase to the Hospital's Unreserved Fund balance that will decrease the General Fund required contribution by \$24,891,710.

**Amount:** Total revenue of \$62,902,000 will be received after the expenditure of \$38,010,290.

**Source of Funds:** MediCal Revenues (SB 855)

**Description:** Senate Bill (SB) 855, approved by the State Legislature in July 1991, provides a mechanism by which California can receive increased Federal financial participation dollars for hospitals that are designated as disproportionate share providers. Disproportionate share providers are hospitals that provide a disproportionate amount of service to MediCal and low income patients relative to other hospitals. San Francisco General Hospital is San Francisco's only significant disproportionate share provider.

SB 855 provides Federal matching funds to support the City's increasing share of inpatient costs. SB 855 provides these additional funds through a rate increase at SFGH, which totals \$1,750 for each MediCal patient per diem.

The proposed ordinance would (1) appropriate \$62,902,000 in Medi-Cal revenues provided by the rate increase under SB 855 (2) appropriate \$38,010,290 to pay for the City's Share as required under SB 855 specifications and (3) increase SFGH's Unreserved Fund balance by \$24,891,710, which will result in decreasing the General Fund required contribution by \$24,891,710.

**Comments:** 1. The amount of SB 855 funds in 1992-93 and subsequent years are unknown at this time. The DPH anticipates that such revenues will increase because the number of MediCal patient days which SFGH provides has been increasing over time. The amount of the rate increase, provided by SB 855, should increase at a greater rate as the proportion of indigent and MediCal eligible patients served relative to other patients increases, Ms. Susan Ehrlich of the DPH advises.

DOCUMENT -

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APR 1 1991

PUBLIC LIBRARY

2. The February 5, 1992 Joint Report of the Controller, the Mayor's Director of Finance and the Budget Analyst included \$25 million in estimated Federal revenues resulting from SB 855 to offset the 1991-92 deficit (the actual revenues from SB 855 will total \$24,891,710). SB 855 funds must be expended to compensate for unreimbursed medical care at SFGH. Therefore, SFGH will use SB 855 funds for its operating expenses in 1991-92, and will reimburse the General Fund in the amount of \$24,891,710 from its unused budgeted funds.

3. In 1991-92, in order to receive the SB 855 rate increase, San Francisco was required to transfer the total required amount of \$38,010,290 to the State MediCal program at one time, because the program was approved late in the year. However, in future years, San Francisco will be able to transfer funds to the State MediCal program in eight equal installments in the first eight months of the year, per SB 855 program specifications.

**Recommendation:** Approve the proposed ordinance.

0.25  
2  
8/92

CALENDAR

Actions taken

PUBLIC LIBRARY (2)  
DOCUMENTS DIVISION  
CIVIC CENTER

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, APRIL 8, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ AND SHELLEY

ABSENT: SUPERVISOR HALLINAN

CLERK: GAIL JOHNSON

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NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 133-92-1. [Grant - State Funds] Resolution authorizing Chief Administrative Officer of the City and County of San Francisco to accept and expend \$68,173 in funds from the California Integrated Waste Management Board (CIWMB) in the form of a discretionary grant to be used for the Household Hazardous Waste Management Program; waiving indirect costs. (CAO)
- b. File 23-92-3. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to payment of certain warrants of the City and County of San Francisco, in an amount totalling \$29,109.11 legal obligations of the City and County of San Francisco. (Controller)
- c. File 38-92-13. [Acceptance of Gift] Resolution accepting two gifts valued at \$20,000 for use by the Recreation and Park Department (\$10,000 from Steve Silver, and \$10,000 from Pacific Gas and Electric Company, for the illumination of Washington Square). (Recreation and Park Dept.)
- d. File 146-92-23. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to apply for a grant of \$115,397, from State Department of Health Services, for the continuation of immunization services; waiving indirect costs. (Department of Public Health)
- e. File 146-92-24. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a supplemental grant of \$820,000, which includes indirect costs in the amount of \$91,400, based on twenty percent of salaries, from the Centers for Disease Control to fund the HIV Incidence in Homosexual/Bisexual Male Research Project. (Department of Public Health)

**ACTION:** Items a, b and c removed from Consent Calendar. Remainder of the Consent Calendar recommended.

Item 1a, File 133-92-1. Continued to April 15, 1992, meeting.

Item 1b, File 23-92-3. Tabled.

Item 1c, File 38-92-13. Continued to Call of the Chair.

### REGULAR CALENDAR

2. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)

**ACTION:** Hearing held. Continued to April 15, 1992, meeting.

3. File 47-92-2. [Fifth and Mission Public Parking Garage 1992 Lease] Ordinance approving and authorizing the execution and delivery of a Fifth and Mission Public Parking Garage 1992 Lease, approving and authorizing the execution and delivery of an agreement among the City and County of San Francisco, the Parking Authority of the City and County of San Francisco, the City of San Francisco Uptown Parking Corporation and the City of San Francisco Downtown Parking Corporation, approving the issuance of the City of San Francisco Downtown Parking Corporation Revenue Bonds, Series 1992; and authorizing and ratifying the execution and delivery of such bonds, all in connection with the financing of seismic retrofit improvements and the expansion of the Fifth and Mission Public Parking Garage. (Dept. of Parking and Traffic)

**ACTION:** Recommended.

4. File 172-92-6. [Emergency Contract] Resolution authorizing the Department of Public Health, San Francisco General Hospital, to enter into emergency contracts providing for retroactive payments to Nor-Cal Medical Temps and Western Medical Services. (Dept. of Public Health)  
(Cont'd from 4/1/92)

**ACTION:** Recommended.

5. File 100-91-1.23. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, in an amount totalling \$97,053, for data processing equipment. (Dept. of Parking and Traffic)

**ACTION:** Continued to Call of the Chair.

6. File 94-91-4.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of \$94,479, for data processing equipment. (PUC)  
(Cont'd from 4/1/92)

**ACTION:** Hearing held. Release of \$94,479 recommended. Filed. (The Finance Committee requests that the Public Utilities Commission submit a report on the actual cost of the data processing equipment prior to the end of the fiscal year.)



7. File 94-91-4.2 [Release of Funds] Requesting release of \$658,610 from budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds. (Supervisor Gonzalez)

ACTION: Continued to April 15, 1992, meeting.

8. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$253,251, for benefit payoff - miscellaneous (to back fill critical and mandated positions vacated because of early retirement). (Controller)  
(Cont'd from 4/1/92)

ACTION: Hearing held. Release of \$155,993 recommended. Filed. (File 101-91-55.4)

Remainder \$97,258 Continued to April 15, 1992, meeting (File 101-91-55.1).

9. File 97-92-12. [Environmental Review Fees] Ordinance amending the Administrative Code by amending Sections 31.46 and 31.46A concerning fees for non-profit organizations; companion measure to Files 115-92-4 and 115-92-5. (Department of City Planning)

ACTION: Recommended.

10. File 115-92-4. [Planning Fees] Ordinance amending the City Planning Code by amending Sections 351, 361 and 362, of Article 3.5 and amending Sections 351, 362 and 363 of Article 3.5A, to exclude exemptions to nonprofit organizations from planning fees, and extending payment of planning fees to time of building permit issuance for certain nonprofit housing developers (January 30, 1992 version). (Department of City Planning)

ACTION: Tabled.

11. File 115-92-5. [Planning Fees] Ordinance amending the City Planning Code by amending Sections 351, 361 and 362, of Article 3.5 and amending Sections 351, 362 and 363 of Article 3.5A, to exclude exemptions to nonprofit organizations from planning fees, and extending payment of planning fees to time of building permit issuance for certain nonprofit housing developers (February 13, 1992 version). (Department of City Planning)

ACTION: Recommended.

12. File 115-92-3. [City Planning Code Amendment] Ordinance amending the City Planning Code, by adding Section 176.1 to create an administrative hearing procedure to enforce planning code requirements and a procedure to recover administrative costs of enforcement through assessment and lien. (Department of City Planning)

ACTION: Continued to April 22, 1992, meeting.



13. File 65-92-6. [Lease] Ordinance approving the lease with the Golden Gate Yacht Club to operate a yacht club at the San Francisco Marina. (Recreation & Park Dept.)

ACTION: Recommended.

14. File 12-92-14. [AB 3297] Resolution supporting AB 3297 adjusting salaries and number of personnel of Superior and Municipal Courts. (Municipal Court)

ACTION: Recommended.

15. File 270-92-2. [Disaster Relief Funds] Resolution authorizing the Chief Administrative Officer, and other designated City and County Officials to execute and file, on behalf of the City and County of San Francisco, certain documents relating to Federal and State financial assistance under the Federal Disaster Relief Act, or Federal Assistance otherwise available from the President's Disaster Relief Fund and the State of California Natural Disaster Assistance Act Program, and rescinding Resolution No. 779-89. (Chief Administrative Officer)

ACTION: Recommended.

16. File 27-92-1. [Airport - Lease Modifications] Ordinance approving Modification No. 4 of lease agreement between American Airlines, Inc., and City and County of San Francisco acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended.

17. File 101-90-115.1. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, in an amount totalling \$560,000, for architectural services contract and art enrichment program for the Vallejo Street - Churchill Alley Garage (\$542,000 Tai Associates Architects for design services and \$18,000 for administrative costs and design development contract for the art enrichment program). (Dept. of Parking & Traffic)

ACTION: Continued to April 15, 1992, meeting.

18. File 146-91-61.3. [Release of Funds] Requesting release of reserved funds, Department of Public Health, AIDS Office, in an amount totalling \$151,832, for contractual services for AIDS/HIV Prevention/Education Services (\$46,245 Hispanic Headquarters Advertising, \$40,587 Japanese Community Youth Council, \$40,000 Filipino Task Force on AIDS and \$25,000 The Support Center). (Dept. of Public Health)

ACTION: Hearing held. Release of \$151,832 recommended. Filed.

CITY AND COUNTY



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ATTN: Gerry Roth  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST *Recommendations*

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 6, 1992

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: April 8, 1992 Finance Committee Meeting

DOCUMENTS DEP.

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Item 1a - File 133-92-1

Department: Chief Administrative Officer (CAO)  
Solid Waste Management Program

Item: Resolution authorizing the CAO to accept and expend a new State grant in the form of a discretionary grant to be used for the Household Hazardous Waste Management Program; waiving indirect costs.

Grant Amount: \$68,173

Grant Period: Approximately May 1, 1992 through April 30, 1993

Source of Funds: California Integrated Waste Management Board (CIWMB)

Project: Household Hazardous Waste Collection Program

Description: The Board of Supervisors previously approved a resolution (File 133-91-4) which authorized the CAO's Office to apply for the proposed grant funds. The Household Hazardous Waste Collection Program, a facility located at the dump off Bayshore Highway, is a joint effort between the CAO's Office and the Sanitary Fill Company that allows residents to properly dispose of their household hazardous waste (paint, motor oil, and pesticides.) The facility has been in operation for three and a half years. Grants are awarded by the State to those counties that have implemented household waste collection programs.

Required Match: None.

**Indirect Costs:** None. The CIWMB does not allow the use of grant funds for indirect costs. Therefore, the proposed resolution would authorize the waiving of indirect costs.

**Comments:** 1. Ms. Maria Trapalis-Baird of the Solid Waste Management Program of the CAO's Office reports that the Solid Waste Management Program is currently developing a budget for the proposed grant funds, but would not have completed the budget details before the Finance Committee meeting of April 8, 1992. Therefore, the Solid Waste Management Program is requesting that the proposed item be continued for one week until the Finance Committee meeting of April 15, 1992.

2. The CAO's Office has completed a Disability Access Checklist which is in the file.

**Recommendation:** Continue the proposed item for one week until the Finance Committee meeting of April 15, 1992.

Item 1b - File 23-92-3

**Item:** Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco in the amount of \$29,109.11, a legal obligation of the City and County of San Francisco.

**Description:** According to Section 10.181 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present such warrants to the Controller for payment up to three years from the date that it was considered invalid, or four years from the original issue date. After that point, the Controller may no longer issue any warrants because the statute of limitations has expired unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive the statute of limitations and would authorize the Controller's Office to replace the following 11 warrants:

<u>Name</u>	<u>Warrant No.</u>	<u>Issued</u>	<u>Amount</u>
Baireuther, Robert	550-2563154	10-24-88	\$7,505.86
Blumenkrantz, J.	550-2565030	10-24-88	1,618.69
Canepa, Leonard	550-2451480	04-01-88	1,203.89
Canepa, Leonard	550-2330585	09-01-87	5,598.35
Maxicare Health Plan	530-0777844	12-05-89	1,103.93
Porter, Charles	550-2625595	03-23-89	2,419.60
Stanley, Northrop	550-2638708	04-25-89	3,863.48
Stitt, Michael	550-2586858	11-15-88	2,898.00
Glasser, Leonard H	515-493262	05-31-85	1,213.53
Smith, Angela C	516-2912135	08-01-88	141.03
Allen Williams	550-2378942	10-08-87	<u>1,542.75</u>
Total			\$29,109.11

**Comments:** 1. Ms. Evelyn Alava of the Controller's Office states that all of the above payees were approached by WJ Jas Assets, a private legal firm, to assist the payees to make a claim against the unpaid warrants. Ms. Alava advises that WJ Jas Assets would collect a fee from the above parties up to 50 percent, or approximately \$14,554.55, of the amount of the warrants.

2. According to the Controller's Office, all the payees reported that they did not receive their warrants, and have requested that those warrants be reissued.

3. The Controller's Office advises that the 11 warrants, which had not been cashed one year after the original issue date, were automatically canceled. The Controller's Office has verified that it has made no payments on these warrants.

4. In December 1991, The Board of Supervisors denied a proposed resolution (File 23-91-4) waiving the statute of limitations with respect to payment of certain warrants because the payees had been approved by Nelson-Brown Equities Inc., a private law firm that would have collected 50 percent of the warrant amount in fees. Nelson-Brown Equities has since filed a claim against the City for the payment of the warrants. Ms. Celeste Bell of the City Attorney's Office reports that Nelson-Brown Equities has now filed a lawsuit against the City and that the Superior Court is in the process of deciding whether the City is mandated to pay any expired warrant upon request.

5. According to Mr. Ted Lakey of the City Attorney's Office, a legal obligation is not necessarily a mandated obligation.

6. Based on the Finance Committee's previous denial of the legislation noted in Comment 4 above, which is similar to the proposed legislation, the Budget Analyst believes that the proposed resolution should not be approved.

**Recommendation:** Do not approve the proposed resolution based on the Committee's previous denial of similar legislation.



Item 1c - File 38-92-13

**Department:** Recreation and Park Department

**Item:** The proposed resolution would authorize the acceptance of two gifts valued at \$20,000 for use by the Recreation and Park Department.

**Amount and  
Donor:**

Mr. Steve Silver (owner of Beach Blanket Babylon and Club Fugazi)	\$10,000
Pacific Gas & Electric Company	<u>10,000</u>
Total	\$20,000

**Description:**

Mr. Tim Lillyquist of the Recreation and Park Department reports that Mr. Steve Silver and Pacific Gas & Electric Company have already donated \$10,000 in cash each for a total of \$20,000 to the Friends of Recreation and Park for the purpose of installing light poles and ground lighting in Washington Square Park. While the monies for this project have been donated directly to the Friends of Recreation and Park, the Recreation and Park Department will be the recipient of the improvements to Washington Square made possible by the \$20,000 in donations. The Friends of Recreation and Park is a non-profit entity which provides private financial support for the Recreation and Park Department. Mr. Lillyquist advises that currently there is street lighting around the perimeter of Washington Square, but there is no lighting in the interior of the park.

Mr. Lillyquist advises that the Friends of Recreation and Park will use \$10,000 of the available \$20,000, to contract with an engineering design firm to provide design services for the project. The remaining \$10,000 is designated for maintenance of the lighting fixtures once they are installed.

Mr. Lillyquist reports that when the design plans for the installation of the light poles and ground lighting are completed, the Department will be able to estimate the total cost of the project. Mr. Lillyquist advises that the Committee for the Illumination of Washington Square, which is comprised of community representatives, is planning to issue an informational pamphlet aimed at soliciting additional private donations from individuals and organizations in San Francisco to support this project.



**Comments:**

1. Mr. Lillyquist advises that the Recreation and Park Commission has not, as yet, given its formal approval to this proposed Washington Square lighting project. However, Mr. Lillyquist states that the project appears to have the support of the community and that he is not currently aware of any specific obstacle that would preclude the Commission from granting its approval for this project at some future date.

2. According to Mr. Lillyquist, both Mr. Silver and Pacific Gas and Electric Company, made their donations to this project as a gesture of goodwill.

3. Since the Recreation and Park Commission has not, as yet, given formal approval to the Washington Square lighting project, and the total cost of the project is not yet known, the Budget Analyst believes the proposed resolution to authorize the acceptance of two gifts totalling \$20,000 to be used to fund the proposed improvements to Washington Square which will be donated to the Recreation and Park Department should be continued to the call of the Chair, pending the Recreation and Park Commission's approval of the Washington Square lighting project and the Recreation and Park Department's provision of budget details on the total cost of the project.

**Recommendation:** Continue to the call of the Chair.

Item 1d - File 146-92-23

**Department:** Department of Public Health (DPH)  
Bureau of Epidemiology and Disease Control

**Item:** Resolution authorizing the Department of Public Health to apply for a continuation State grant of \$115,397 from the State Department of Health Services for the continuation of immunization services and waiving indirect costs.

**Grant Amount:** \$115,397

**Source of Funds:** State Department of Health Services

**Grant Period:** July 1, 1992 to June 30, 1993

**Project:** Immunization Services

**Project Description:** The proposed State grant funds would be used by DPH to fund the administration of the City's immunization programs and to maintain a program to prevent perinatal transmission of Hepatitis B Virus. The program's objectives are as follows:

- 1) Raise to (or maintain) immunization levels of 98% or greater for each of the legally required immunizations among all kindergarten entrants and incoming transfer students to schools within San Francisco.
- 2) Raise age-appropriate immunization levels to 95 percent or greater among infants and preschool-age children residing in San Francisco.
- 3) Through prevention, surveillance and outbreak control, reduce, and if possible eliminate illness, disability and death due to vaccine preventable diseases such as polio, diphtheria, tetanus, pertussis, measles, rubella, mumps, and influenza type B within San Francisco.
- 4) Assure that 90 percent of the infants who are born in San Francisco and who are exposed to Hepatitis receive HBIG (emergency vaccine) and a first dose of Hepatitis B vaccine within 12 hours of birth within San Francisco.
- 5) Assure that 75 percent of identified infants who live in San Francisco and are at high risk of perinatal Hepatitis transmission complete the HBIG/3 dose Hepatitis B vaccine series.

- 6) Assure that 70% of identified household contacts at high risk of perinatal Hepatitis transmission are screened and complete the HBIG/3 dose Hepatitis B vaccine series.

**Number of  
Units of Service:**

Approximately 36,500 childhood immunizations, approximately 70 to 90 pregnant women identified as Hepatitis B carriers and approximately 140 to 360 household contacts of identified Hepatitis B carriers.

**Project Budget:**

Personnel

Senior Disease Control Investigator (Step 2)	\$38,952	
Senior Disease Control Investigator (Step 5)	44,988	
Fringe Benefits (26%)	<u>21,824</u>	
Subtotal		\$105,764

Operating Expenses

Office Supplies	\$1,308	
Educational Materials	1,900	
Laboratory Tests	4,900	
Travel	<u>1,525</u>	
Subtotal		<u>9,633</u>
Total		\$115,397

**Indirect Costs:**

None. The State requires that funds be used for direct program services and does not allow indirect costs. Therefore, the proposed resolution would authorize the waiving of indirect costs.

**Required Match:**

None

**Comments:**

1. The DPH advises that if the State grant monies are terminated, the grant funded positions would also be terminated.
2. A Disability Access Checklist has been prepared by the DPH and is included in the file.

**Recommendation:**

Approve the proposed resolution.

Memo to Finance Committee  
April 8, 1992

Item 1e - File 146-92-24

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health to apply for a supplemental grant of \$820,000, which includes indirect costs in the amount of \$91,400, based on 20 percent of permanent salaries, from the Centers for Disease Control to fund the HIV Incidence in Homosexual/Bisexual Males Research Project.

**Grant Amount:** \$820,000

**Source of Funds:** Centers for Disease Control

**Grant Period:** July 1, 1992 to June 30, 1993

**Description:** The proposed grant would support a project to estimate the number of high-risk individuals who are not HIV positive. Such estimates would be made using individuals recruited at the Sexually Transmitted Disease Clinic, where approximately 4,000 attendees per year are potentially eligible to enroll in HIV incidence surveys and HIV vaccine trials. The objective of the proposed project would be to provide baseline data for determining the feasibility of conducting HIV/AIDS vaccine trials in San Francisco. Specifically, the project would aim to (1) determine the HIV incidence over a 12-month period (with the possibility of extension based on future funding); (2) study the relationship between biological and behavioral factors and the rate of conversion from HIV negative to HIV positive; (3) evaluate the potential for recruitment of clinic trials in the future; and (4) identify specific cultural, psychological, or social factors that may enhance or discourage recruitment and continuing participation in such trials.

**Number of  
Persons Served:** The funder is requesting that at least 500 individuals participate in the proposed project.

**Required Match:** None

**Indirect Costs:** \$91,400, based on 20 percent of permanent salaries

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
April 8, 1992

<b>Budget:</b>	<u>Permanent Salaries</u>	\$457,000
	<u>Non-Civil Service Personnel</u> (to be detailed with request to accept and expend)	99,000
	<u>Equipment</u>	8,000
	<u>Contractual Services</u>	1,200
	<u>Materials and Supplies</u>	47,000
	<u>Operating Expenses</u>	41,000
	<u>Other</u> (to be detailed with request to accept and expend)	75,400
	<u>Indirect Costs</u> (20 percent of permanent salaries)	<u>91,400</u>
	<b>TOTAL BUDGET</b>	<b>\$820,000</b>

A more detailed budget, including a description of items included under "Other" and "Non-Civil Service Personnel" is in development and would be submitted with the request to accept and expend the proposed grant, the DPH advises.

**Comments:**

1. The proposed grant would be a one-time, one-year grant. However, the DPH would be able to apply competitively to continue the grant next year.
2. The DPH advises that if grant funding were reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support approximately ten full time employees and three part-time employees, depending on the final project budget.
3. A Disability Access Checklist has been prepared by the DPH, and is included in the file.
4. Attached is a Summary of Grant Request, as prepared by the Department.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Grantor Centers for Disease Control  
 Contact Person Elizabeth Taylor, M.D.  
 Address CDC Atlanta, GA 30333  
(404) 842-6640  
 Amount Requested \$ \$820,000  
 Term: From 7/1/92 To 6/30/93  
 Health Commission \_\_\_\_\_

Division - CO/AIDS Div  
 Section AIDS Office  
 Contact Person Tim Piland  
 Telephone 554-9132  
 Application Deadline 5/20/92  
 Notification Expected 6/17/92  
 Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) ~~(accept and expend)~~ a ~~(new)~~ (continuation) ~~(addition)~~ (augmentation to a) grant in the amount of \$ 820,000 from the period of 7/1/92 to 6/30/93 to provide HIV Incidence in Homosexual/Bisexual Males Research Project services.  
 (Circle appropriate words)

II. Summary: (Concise history; need addressed; number + groups served; services and providers)

Please see Attachment to Summary Sheet

III. Outcomes/Objectives:

Please see Attachment to Summary Sheet

IV. Effects of Reduction or Termination of These Funds:

Failure to apply for these funds may jeopardize San Francisco's ability to attract federal AIDS research funding and, in particular, prevent us from participating in future vaccine trials.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			820,000			
Personnel			556,000		DETAILED BUDGET IS	IN DEVELOPMENT
Equipment			8,000			
Contract Svc.			1,200		WILL BE SUBMITTED WITH REQUEST TO	
Mat. & Supp.			47,000			
Facilities/Space			41,000		ACCEPT AND EXPEND	
Other			75,400			
Indirect Costs			91,400			

VI. Data Processing

(costs included above)

To be determined

VII. Personnel

F/T CSC		approx 10		
P/T CSC		approx 3		
Contractual		0		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

None.

Will grant funded employees be retained after this grant terminates? If so, How?

No.

\*VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)





Memo to Finance Committee  
April 8, 1992

Item 2 - File 100-92-3

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both. A balanced budget must be submitted to the Board of Supervisors by the Mayor on or before June 1, 1992.

Representatives from the Controller's, Mayor's and Budget Analyst's Offices will attend the April 8, 1992 Finance Committee meeting to respond to any questions which the Committee might have regarding the March 31, 1992 Joint Report.



Item 3 - File 47-92-2

**Department:** Department of Parking and Traffic (DPT), Parking Authority

**Item:** The proposed ordinance would (1) approve and authorize the execution and delivery of a Fifth and Mission Public Parking Garage 1992 lease, (2) approve and authorize the execution and delivery of an agreement among the City, the City's Parking Authority, the San Francisco Uptown Parking Corporation and the San Francisco Downtown Parking Corporation, (3) approve the issuance of the San Francisco Downtown Parking Corporation Revenue Bonds, Series 1992 and (4) authorize and ratify the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, in connection with the financing of seismic retrofit improvements and the expansion of the Fifth and Mission Public Parking Garage.

**Description:** The Fifth and Mission Public Parking Garage is a City-owned facility located on a City block, bounded by Fifth Street, Mission Street, Fourth Street and Minna Street. The Garage is operated by the San Francisco Downtown Parking Corporation, a non-profit corporation, under a lease agreement with the City. The City constructed the garage in 1957 with funds obtained through the sale of bonds issued by the San Francisco Downtown Parking Corporation. The City's current lease with San Francisco Downtown Parking Corporation expires, at the outside, in 2007. The DPT reports that there are no current outstanding bonds associated with the Fifth and Mission Garage.

Mr. Kevin Hagerty, Director of the Parking Authority reports that the Fifth and Mission Public Parking Garage facility, currently has 1,774 parking spaces on six floors. The DPT is proposing to (1) expand the Garage by adding 840 spaces on two additional floors to the facility, which would increase the Garage capacity from 1,774 parking spaces to 2,614 and (2) bring the Garage facility into compliance with current seismic code requirements. Mr. Hagerty advises that the expansion is needed to accommodate the anticipated future transient parking demand associated with the City's retail business district and the planned Yerba Buena Project.

The DPT's estimated cost of \$20,739,000 for the seismic retrofit improvements and the expansion of the Garage facility is detailed below:

Construction Cost	\$15,480,000	
Construction Contingency (4%)	<u>637,000</u>	
Subtotal		\$16,117,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Architectural/Engineering	\$1,000,000	
Art Enrichment	150,000	
Inspection/Testing	100,000	
Costs of Issuance (Bonds)	250,000	
Reserve Fund*	1,522,000	
Interest/Construction**	1,280,000	
Underwriting Discount	<u>320,000</u>	
Subtotal		<u>4,622,000</u>
Total		\$20,739,000

\* This Reserve Fund constitutes a contingency fund for the bonds in the event that insufficient revenues are generated for payment of interest and redemption payments.

\*\* Interest/construction funds would be used to pay interest owed on the bonds during the construction of the garage.

The DPT is proposing to finance the seismic improvements and the expansion of the Garage facility, as follows:

1) The sale of San Francisco Downtown Parking Corporation Revenue Bonds	\$16,000,000
2) The Fifth and Mission Garage surplus revenue fund (the current balance in the fund is \$3,000,990)	3,000,000
3) The Sutter-Stockton Garage surplus revenue fund (the current balance in this fund is \$1,977,000)	1,200,000
4) Interest earned during construction	<u>539,000</u>
Total	\$20,739,000

The DPT's financing plan for the Garage facility project is contingent upon (1) the City's approval of a new Garage lease between the City and the San Francisco Downtown Parking Corporation, the current operator of the Fifth and Mission Garage, that will allow the Corporation to secure bonds, and (2) the execution of an agreement between the City, the City's Parking Authority, San Francisco Downtown Parking Corporation and San Francisco Uptown Parking Corporation to allow the San Francisco Uptown Parking Corporation to make a contribution of Sutter-Stockton Garage surplus

revenue funds to support the project. The Sutter-Stockton Garage is a City-owned facility which is operated by the San Francisco Uptown Parking Corporation, a non-profit corporation, under a lease agreement with the City. The agreement between the above-mentioned parties would also allow the Sutter-Stockton Garage's net income to be pledged to the project to help meet the required financing coverage requirements. Additionally, the DPT is proposing to submit a request to the Board of Supervisors, by the last quarter of 1993, to set new parking rates for the Fifth and Mission Garage, which would take effect after construction on the Garage has been completed.

The current parking rates and the proposed increased rates are as follows:

<u>Hour</u>	<u>Present Parking Rates</u>	<u>Proposed Parking Rates</u>
1	\$ .75	\$1.00
2	1.25	2.00
3	2.50	4.00
4	4.00	6.00
5	5.50	8.00
6	7.00	11.00
7	9.00	15.00

The proposed ordinance would (1) authorize the City to enter into a Fifth and Mission Garage 1992 lease with the San Francisco Downtown Parking Corporation, which would permit the Corporation to issue bonds for the purpose of financing seismic retrofit improvements and the expansion of the Fifth and Mission Garage (2) authorize the issuance and sale of the bonds not to exceed \$20,000,000 and the execution of related documents and (3) approve the execution of an agreement between the City, the City's Parking Authority, San Francisco Downtown Parking Corporation and San Francisco Uptown Parking Corporation to allow San Francisco Uptown Corporation to make a financial contribution of Sutter-Stockton Garage surplus revenue funds to support the Fifth and Mission Garage project.

**Comments:**

1. The DPT reports that the bond interest and redemption payments for the proposed revenue bonds would be financed by garage revenues. According to the DPT, no financial interest or guarantees from the City regarding the proposed revenue bonds would be required.



2. The 1991-92 annual estimated gross revenue from the Fifth and Mission Garage is \$3,000,080. Of the current revenues, \$1,500,000 is paid for operating costs, \$770,000 for taxes and \$730,080 in surplus net revenue funds accrues to a reserve fund for Garage capital improvements. Under the proposed Fifth and Mission Garage 1992 lease, the City's General Fund would receive 85 percent of surplus net revenue funds, after payment of operating expenses, debt, (estimated to be \$1,522,000), taxes and corporate disbursements (i.e., audit, attorney fees and trustee fees). The remaining 15 percent of surplus net revenue would accrue to a reserve fund for capital improvements. After the bonds are paid off, the San Francisco Downtown Corporation would be dissolved and the City's General Fund would receive close to 100 percent of net revenues after the cost of operating expenses and monies earmarked for capital improvements. The City currently pays an annual management fee of \$10,000 for the garage operator hired by the Downtown Parking Corporation to handle the day-to-day operations of the garage. The DPT advises that with the additional 840 new parking spaces, the estimated gross revenues from the Garage for FY 1993-94, would be \$4,000,485, an increase of \$1,000,405 or 33 percent from current 1991-92 estimated gross annual revenue of \$3,000,080. The current operating expenses of \$1,500,000, which are likely to increase with the expansion of the Garage, estimated annual debt service of \$1,522,000, and current taxes of \$770,000 which will increase if total revenues increase, presently totals \$3,792,000 plus additional expenses for corporate disbursements. Given that the estimated gross revenues for FY 1992-94 are \$4,000,485 and the estimated expenses will exceed \$3,792,000, the amount which would accrue to the City based on 85 percent of net revenues would be limited.

3. Mr. Hagerty reports that it is anticipated that construction on the Garage would commence by January of 1993. Mr. Hagerty advises that the Garage would not be closed during construction and that steps would be taken to minimize the impact on available parking space.

4. A Final Negative Declaration, which determined that the proposed construction on the Fifth and Mission Garage would not have a significant impact on the environment, was adopted and issued on May 2, 1990 by the Department of City Planning's Office of Environmental Review.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 4 - File 172-92-6

**Note:** This item was continued from the Finance Committee meeting on April 1, 1992.

**Description:** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)

**Item:** Resolution authorizing the Department of Public Health, San Francisco General Hospital to enter into emergency contracts providing for retroactive payments to Nor-Cal Medical Temps and Western Medical Services.

**Amount:** \$75,000

**Source of Funds:** The SFGH is proposing to submit a supplemental appropriation request in the amount of \$75,000 to the Board of Supervisors to fund these emergency contracts prior to the end of this fiscal year. The SFGH has, as an interim measure, identified funds in its 1991-92 budget to make payments under the proposed emergency contracts until such time as the supplemental appropriation is processed.

**Description:** The DPH, through SFGH is requesting authorization to enter into emergency contracts with Nor-Cal Medical Temps and Western Medical Services in order to permit these firms to continue to provide professional pharmacist registry services to augment staff pharmacy services at SFGH. Section 6.30 of the Administrative Code states that emergency contracts may be entered into if unforeseen circumstances result in "an insufficient number of hospital beds, or the lack of hospital, surgical, mental health or hospital ancillary services, so as to leave patients of the City and County without required hospital or medical services." Section 6.30 also provides that emergency contracts which exceed \$25,000 must be approved by the Board of Supervisors.

Ms. Hope Kamimoto of the DPH Contracts Office reports that the DPH previously entered into a three-month emergency contract with Nor-Cal Medical Temps which expired March 22, 1992, in the amount of \$5,000. The DPH's contract with Western Medical Services was in the amount of \$50,000 for the period April 18, 1991 to April 17, 1992. Ms. Kamimoto advises that Western Medical Services had expended its entire \$50,000 contractual amount, as of January 28, 1992 and Nor-Cal Medical Temps had expended its entire \$5,000 under the emergency contract as of February 6, 1992. Subsequently, pursuant to Section 6.30 of the Administrative Code, the Purchasing Department entered into emergency Term

Purchase Agreements, effective February 1, 1992, with Nor-Cal Medical Temps and Western Medical Services in the amount of \$7,500 each. Western Medical Services expended its entire \$7,500 under the Term Purchase Agreement as of March 11, 1992. As of the writing of this report, Nor-Cal Medical Temps had expended approximately \$2,500 under the Term Purchase Agreement leaving a balance of approximately \$5,000.

The proposed emergency contract with Nor-Cal Medical Temps would be in a total amount not to exceed \$30,000 for the period March 12, 1992 to April 30, 1992 and Western Medical Services would be in a total amount not to exceed \$45,000 for the period March 12, 1992 to April 30, 1992 for a total amount of \$75,000. As previously noted, a supplemental appropriation request will be submitted for this \$75,000. The DPH is also proposing to submit a second supplemental appropriation request in the amount of \$125,000 prior to the end of this fiscal year to pay for the remaining portion of 1991-92 (May 1, 1992 to June 30, 1992). Therefore, the SFGH is proposing to expend a total of approximately \$200,000 for pharmacy registry services, from March 12, 1992 to June 30, 1992. Additionally, the Purchasing Department has issued bids to acquire two long term pharmacy registry services contracts. These two contracts would extend through September 30, 1993.

Mr. David Burris of the SFGH, Pharmacy Administrative Office advises that due to an ongoing shortage of pharmacists, SFGH has used contract pharmacist registry services since 1990. According to Mr. Burris, the Department has utilized contract services to a greater degree than originally anticipated this fiscal year primarily because the Department has experienced difficulty in filling vacant pharmacist positions (currently there are 13 vacant positions and 20.5 filled positions). Four of the 13 vacant positions represent recent vacancies, due to the taking of early retirements.

**Comments:**

1. The monies identified by SFGH to be used on an interim basis to make payments in connection with the two emergency contracts would create a shortfall in SFGH's budget. SFGH's proposed supplemental appropriation in the amount of \$75,000, noted above, would be used to reimburse SFGH's budget and pay for the balance of monies owed under the emergency contracts.

2. The SFGH advises that although the supplemental appropriation to fund the two proposed emergency contracts has not, as yet, been processed or approved, there is a need to process the emergency contracts immediately because Nor-Cal Medical Temps and Western Medical Services are threatening to discontinue their services unless the contracts are approved. The SFGH reports that the final processing of the supplemental appropriation request has awaited the Controller's completion of its annual revenue and expenditure report which would outline SFGH's available surpluses.

3. Mr. Burris reports that both Nor-Cal Medical Temps and Western Medical Services have continued to provide pharmacist registry services since the funding expired under their respective contracts. As such, the proposed resolution would authorize retroactive payments to both of these firms.

4. Pursuant to Section 6.30 of the Administrative Code, the DPH, SFGH notified the Board of Supervisors regarding the provision of emergency services by Nor-Cal Medical Temps and Western Medical Services within seven days after the emergency services had commenced.

5. Attached is a report prepared by SFGH on the specific amounts and justification for the additional payments needed to be made to these two contractors for the balance of the Fiscal Year 1991-92 (March 12, 1992 to June 30, 1992). SFGH bases its need for these contract services primarily on the fact that it has lost several positions as a result of early retirements. The Budget Analyst notes that the Finance Committee has already approved the immediate backfilling of the two Pharmacy Technicians. Furthermore, under Proposition A, it is not the intent that work performed by positions that have been vacated as a result of early retirement should be contracted out. Such action would negate the potential cost savings to the City as a result of the early retirements.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



**City and County of San Francisco****Department of  
Public Health**San Francisco General Hospital  
Medical Center

April 6, 1992

TO: Sandy Brown Richardson  
Budget Analyst, Board of Supervisors

FR: Stuart E. Heard, Pharm.D.  
Director  
Department of Pharmaceutical Services

RE: Emergency Contracts for Pharmacist Registry

Prior to March 27, 1992 the SFGH Department of Pharmaceutical Services was experiencing nine ongoing vacancies in pharmacist positions despite recruitment efforts. These vacancies resulted in substantial difficulties in maintaining a minimum level of service and quality of care for the patients of the City and County of San Francisco. The service levels are at a dangerously unacceptable level with patients often being asked to return up to 48 hours later for prescriptions. The medical staff is concerned, rightly, that such delays in receiving antibiotics, cardiac and other critical medications is not acceptable for patient care. The Department utilized approximately \$75,000 for registry pharmacists in the first 9 months of FY 91-92 to help maintain minimum levels of service and would have expended more for registry pharmacists if budgeted funds were available.

On March 27, 1992 the Department experienced the following additional vacancies due to early retirements:

- 3 - 2450 Staff Pharmacists
- 1 - 2453 Supervising Pharmacist
- 2 - 2409 Pharmacy Technicians
- 1 - 1932 Assistant Storekeeper

Additionally, we expect to lose 1 more staff pharmacist in the near future. It is impossible for the department to deliver pharmacy services in a safe and timely manner without replacing these vacancies. Therefore, the following use of registry pharmacists is projected from March 12, 1992 through the end of FY 91-92.

3 pharmacists * 40 hrs/wk * 16 wks * \$45/hr =	\$86,000
5 pharmacists * 40 hrs/wk * 13 wks * \$45/hr =	<u>\$117,000</u>
	\$203,400

It is imperative that all of our vacancies be filled promptly through the registry or recruitment. Recruitment will only become a realistic option in July 1992 when the salaries are raised to a competitive level, therefore for the remainder of the Fiscal Year we must have the contracts with the registry services.

A handwritten signature in dark ink, appearing to read "Stuart E. Heard", written over a light-colored background.

Item 5 - File 100-91-1.23

**Department:** Department of Parking and Traffic (DPT)  
**Item:** Release of Reserved Funds  
**Amount:** \$97,053  
**Source of Funds:** Off-Street Parking Funds, Road Funds and General Fund monies

**Description:** During the 1991-92 budget process, the Finance Committee placed \$97,053 included in the Department of Parking and Traffic's budget for data processing equipment and related expenditures on reserve pending approval by the Electronic Information Processing Steering Committee (EIPSC).

The Department of Parking and Traffic reports that the data processing equipment will be used primarily to implement the Local Area Network (LAN) System to permit multi-staff users within the Department to access the same computer network, which will enhance staff productivity and increase staff efficiency.

EIPSC has reviewed the DPT's request for the proposed data processing equipment and related expenditures and has approved the following estimated costs totalling \$97,053.

Local Area Network (LAN) System

Personnel Computer (5)	\$12,500	
Personal Computer (1)	3,800	
Laptop Computer (1)	2,800	
Printers (4)	2,782	
System Netware and Hardware	23,671	
Computer System Installation	2,500	
Software	17,000	
Computer System Training	2,000	
Computer System Support/Maintenance	<u>4,500</u>	
Subtotal		\$71,553
Personal Computer (6)	\$10,580	
Personal Computer (2)	6,500	
Personal Computer (1)	4,020	
Specialized Printer (1)	2,800	
Printer (1)	700	
Printer/Modem (1)	<u>900</u>	
Subtotal		<u>25,500</u>
Total		\$97,053



**Comment:**

1. As noted above, the \$97,053 represents DPT's estimated costs for the data processing equipment and the related expenditures. Ms. Kathryn Hile of the DPT reports that the bids for the data processing equipment has not, as yet, been issued. Therefore, the actual cost of the equipment is not available at this time.

2. The Budget Analyst recommends that the proposed request for the release of reserved funds be continued to the Call of the Chair, pending the award of the contract(s) for the data processing equipment and the DPT's submission of the budget details on the actual costs of the data processing equipment to the Board of Supervisors.

**Recommendation:** Continue this item to the call of the Chair.

Item 6 - File 94-91-4.1

**Note:** This item was continued from the Finance Committee meeting on April 1, 1992.

**Department:** Public Utilities Commission (PUC)

**Item:** Release of Reserved Funds

**Amount:** \$94,479

**Source of Funds:** Federal and State grants

**Description:** The Board of Supervisors previously approved legislation authorizing the PUC to apply for, accept and expend more than \$17 million in Federal, State and local funding for a variety of transit capital improvement and operating projects (File 94-91-4). At the same time, the Board of Supervisors placed \$94,479, designated for the purchase of data processing equipment, on reserve, pending the Electronic Information Processing Steering Committee's (EIPSC) approval.

Mr. Rod Loucks of the PUC reports that the proposed data processing equipment which primarily includes personal computers and related assessories, will serve to increase staff productivity in regard to word processing and analysis and improve on-going operating efficiency.

EIPSC has reviewed the PUC's request for the proposed data processing equipment and has approved the following estimated costs totalling \$94,479:

Municipal Railway

Personal Computer (3)	\$9,600	
Personal Computer and Laser Printer (2)	6,400	
Laser Printer (2)	4,000	
Personal Computer & Laser Printer (1)	5,000	
Laptop Personal Computer (1)	5,000	
Testing Laptop Computer (2)	7,100	
Laser Printer (1)	3,025	
Testing Computer and Display (1)	4,875	
Computer Vehicle Monitoring and Testing Equipment	5,825	
Printer (1)	5,400	
Computer Monitor (1)	3,500	
Miscellaneous Computer Assessories	<u>11,427</u>	
Subtotal		\$71,152

<u>Bureau of Personnel and Training</u>		
Personal Computer (4)	\$11,200	
Laser Printer (1)	<u>2,600</u>	
Subtotal		13,800
<u>Protective Services</u>		
Personal Computer & Printer		\$3,700
<u>PUC Administration</u>		
Personal Computer and Laser Printer	<u>5,827</u>	
Total		\$94,479

**Comments:**

1. As noted above, the \$94,479 represents the PUC's estimated costs for the data processing equipment. Ms. Kathleen Kelly of the PUC reports that the purchase orders for the data processing equipment have not, as yet, been issued. Therefore, the actual cost of the equipment is not available at this time. Ms. Kelly advises that 31 separate purchase orders have to be issued for this equipment. As such, providing the Finance Committee with actual costs prior to the release of reserve funds, would entail the PUC processing numerous requests for release of reserved funds.
2. The Budget Analyst recommends that given the number of purchase orders involved in this request, that the proposed legislation be amended to require that the PUC prior to the end of the fiscal year provide the Board of Supervisors with a report on the total actual costs of the equipment following the final processing of the 31 purchase orders.

**Recommendation:** Amend the proposed legislation to require a report from the PUC on the actual cost of the equipment prior to the end of the fiscal year and approve the legislation as amended.

Item 7 - File 94-91-4.2

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Request for release of budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds, including \$526,528 in Federal funds and \$131,632 in local matching funds.

**Amount:** \$658,610 (See Comment #1)

<b>Source of Funds:</b>	Urban Mass Transit Administration (UMTA)	
	Section 9 Capital Assistance	\$526,528
	Local Match	<u>131,632</u>
	Total	\$658,160

**Description:** The Board of Supervisors previously approved a resolution (File 94-91-4) which authorized the Public Utilities Commission (PUC) to apply for, accept and expend \$13,815,120 in Federal Urban Mass Transit Administration (UMTA) Section 9 formula assistance funds, and apply for, accept and expend \$3,453,780 in local matching funds for a total of \$17,268,900. Of the \$17,268,900 in capital project funds available, a total of \$14,093,750 was reserved (\$11,275,000 of Federal funds and \$2,818,750 of local funds), pending the selection of the contractors, budgets for the contractors and the contractors' MBE/WBE/LBE status.

Included in the total reserved funds of \$14,093,750 was \$658,160 which was reserved for a Presidents' Conference Committee (PCC) Streetcar Restoration capital project. If the reserved funds of \$658,160 (\$526,528 of Federal funds and \$131,632 of local funds) are released, a balance of \$13,435,590 would be left on reserve.

The source of funds for the local matching funds, including the \$131,632 under this request for the release of the reserved funds of \$658,160, would include State Transit Assistance funds, State Transportation Development Act funds, bridge toll net revenues, gas tax revenues, Hetch Hetchy funds, Transit Impact Development Fee revenues, San Francisco Municipal Railway Improvement Corporation (SFMRIC) funds and/or half-cent sales tax revenues from the County Transportation Authority.

The reserved funds would be used for an engineering services contract and a streetcar refurbishment contract

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

relating to the renovation of a total of 10 PCC streetcars. These streetcars would be used for the proposed new MUNI F-Market-Embarcadero line.

**Comments:**

1. As noted above, funds in the amount of \$658,160 were originally place on reserve, although the request is for \$658,610. Therefore, the amount of the request for release of reserved funds should be reduced to \$658,160 to reflect the amount originally placed on reserve.

2. Ms. Gail Bloom of the PUC reports that a RFP was issued for the engineering services and streetcar restoration contracts. Two contracts were awarded. One contract for engineering services was awarded to PGH Wong Engineering, which is a City-certified MBE firm. The other contract for the actual refurbishment of the 10 PCC streetcars was awarded to Morrison-Knudsen, which is located in Boise, Idaho. Morrison-Knudsen is neither a local, MBE or WBE firm.

3. The PUC estimates that the total cost of the PCC streetcar restoration program is approximately \$14 million, including the \$658,160 request for release of reserved funds. The PUC is currently developing a budget which represents the total cost of the PCC streetcar restoration project, including the \$658,160 request for release of reserved funds, the source of the local matching funds, finalized contract amounts and the contractor hourly rates. The PUC, therefore, is requesting that the proposed release of reserved funds be continued for one week until the Finance Committee meeting of April 15, 1992.

4. Ms. Bloom indicates that the proposed streetcar refurbishment project would be completed by approximately April, 1994.

**Recommendations:** 1. Reduce the request for release of reserved funds from \$658,610 to \$658,160.

2. Continue the request for release of reserved funds for one week until the Finance Committee meeting of April 15, 1992.



Memo to Finance Committee  
April 8, 1992

Item 8 - File 101-91-55.1

**Note:** This item was continued by the Finance Committee at its meeting of April 1, 1992.

**Department:** Controller

**Item:** Requesting release of \$253,251 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:** On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program (Proposition A), to a reserve account to finance the lump sum sick leave and vacation payments.

Some of the positions vacated as a result of Proposition A, such as department head positions and other critical positions, are mandated by the Charter. Other positions, although not mandated are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or critical position, that position can be backfilled, if approved by the Proposition A Committee. The committee consists of the Mayor, General Manager, Personnel, and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council, who serve as advisory members.

On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19 and March 20, 1992, and as a result of its departmental hearings process, recommended that \$1,867,425 for backfilling 199\* General Fund positions be released from reserve. The Finance Committee approved the release of funding in the recommended amount at its meeting of March 25, 1992.

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\* 200 were recommended for release for backfill but one of these positions did not take early retirement.

The Proposition A Committee reconvened its hearings on March 26, 1992, and subsequently requested that \$879,322 of the remaining \$1,132,575 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 169 General Fund positions. The Finance Committee approved the release of funding in the



recommended amount at its meeting of April 1, 1992. Thus, a total of \$253,253 currently remains from the initial \$3,000,000 supplemental appropriation for funding the backfill of General Fund positions. However, according to the Controller's Office the amount actually remaining from the \$3,000,000 supplemental appropriation for the backfill of vacated positions is \$1,047,571 because the Proposition A Committee has replenished the reserved funds in the amount of \$794,318 that is not required by the Health Department to backfill its positions. The Health Department has identified a combination of Medicare, Medi-Cal and patient revenues that will offset the backfill costs.

The Proposition A Committee again convened on April 2, 1992, with a representative of the Budget Analyst's Office in attendance, and is now requesting that \$530,234 of the \$1,047,571 it claims to remain from the \$3,000,000 supplemental appropriation be released for funding 61 additional General Fund positions. Attached is a report listing the positions to be backfilled and the amounts recommended by the Proposition A Committee for each position (Attachment 1). It should be noted that 2 of the 61 General Fund positions are recommended for backfill funding in the amount of only \$1 each. Ms. Susan Andrus of the Controller's Department reports that \$1 is being recommended for those 2 positions because the Recorder's Office and the Public Administrator/Guardian have sufficient funds available to continue the positions for the remainder of FY 1991-92. In addition, the last page of Attachment 1 identifies the total number of persons retiring from each City department, those 245 positions that are non-General Fund and mandated, the positions previously approved by the Finance Committee for backfilling, and those positions proposed for backfilling by the Finance Committee at its April 8, 1992, Committee meeting. Also shown on the last page of the Attachment 1 is the overall percentage of positions recommended to be backfilled for each department and the number of positions remaining.

**Comments:**

1. The process used by the Proposition A Committee differs, procedurally, from the process specified in Proposition A in that the Committee has recommended positions for backfilling prior to the Employees Retirement Board transmitting to the Mayor's Office a list of all positions vacated as a result of the early retirement incentive created by Proposition A. In addition, the Proposition A Committee is recommending both mandated and non-mandated positions for backfilling at this time. The potential problem in using the current procedure is that a reinterpretation of the definition of "mandated positions" could, if too many non-mandated positions were backfilled, result in an inadequate number of positions to be abolished (minimum of 500 is required under Proposition A). If the Proposition A Committee is subsequently required by the 50 percent provision in Proposition A to abolish a greater number of positions

than the absolute 500 minimum ("...authorized and directed to abolish in the FY 1991-92 fiscal year budget at least 500 or 50% of the vacated, non-mandated positions on the list, whichever is greater"), or subsequently decides to abolish a greater number than 500 positions for budgetary or other reasons, the Proposition A Committee may be forced to reverse its previous recommendations to backfill certain positions. This could result in layoffs of newly hired City employees.

2. Thus far in the Committee's selection process, a total of 429 General Fund positions have been selected for backfill out of 1,095 identified General Fund positions. Presently, the remaining number of positions not recommended for backfill is 666. However, as reflected on the Attachment, the total 1,340 retirees only reflects the retirements through March 27, 1992.

3. The Proposition A Committee's current request for backfill funding of \$530,234 brings the Committee's total allocation of backfill funding to \$3,276,981, as follows:

Amount Released by the Finance Committee on 3/25/92	\$1,867,425
Amount Released by the Finance Committee on 4/1/92	879,322
Amount Requested for release by the Finance Committee on 4/8/92	<u>530,234</u>
	<u>\$3,276,981</u>

In addition, due to the availability of Health Department revenues to offset backfill costs, the Proposition A Committee shows a balance of \$517,337 available for General Fund backfills. Should those funds be subsequently allocated for backfill of vacated positions, a total of \$3,794,318 (\$3,276,981 plus \$517,337) would have been allocated, not including the backfill of positions that the Committee records in the amount of \$1 because of the availability of other funds. The availability of these other funds in departments, including the Health Department would alternatively be available for use to supplement the City's General Fund - General Reserve.

4. Given that the March 31, 1992 Joint Report from the Controller, the Mayor's Director of Finance and the Board of Supervisor's Budget Analyst forecast a shortfall of between \$139.2 and \$148.2 million for FY 1992-93, which will likely result in significant layoffs for City General Fund departments, the Budget Analyst questions the continued backfilling of vacant positions, prior to identification of at least 500 General Fund positions that will be eliminated from the City's 1991-92 and 1992-93 budget. The Budget Analyst further questions the Proposition A Committee's increase of funding for backfilling positions by approximately another \$1.0 million (\$794,318

Health Department plus \$1 funded positions funded through numerous other City General Fund departments).

5. As stated in the Controller's letter to the Finance Committee of March 19, 1992, which we have included as Attachment 2 to this report, "File No. 101-91-55.1 appropriated \$3 million to backfill critical and mandated positions vacated because of the early retirement of the incumbents thereof." However, excluding the amount being requested at the Finance Committee meeting of April 8, 1992, the Finance Committee has already released \$2,746,747 for General Fund positions and should only be permitted to release up to a total of \$253,253 of additional General Fund monies. However, the Finance Committee is being requested to release an additional \$530,234 in the subject request.

6. According to Mr. John Madden of the Controller's Office, the Proposition A Committee is recommending filling the additional Health Department positions in anticipation of a supplemental appropriation for San Francisco General Hospital which will have a net revenue benefit of more than the requested additional \$794,318 requested to fund these backfill positions. Mr. Madden notes that the proposed Health Department positions are necessary for the critical operation of General Hospital and to insure the continuity of services. It should be noted that if the Board of Supervisors does not approve the anticipated supplemental appropriation for the Health Department, the Health Department will be required to eliminate the additional requested backfilled positions or comparable other positions.

7. Mr. Madden further notes that the Controller anticipates presenting a revised request for release of these reserved funds that will limit the total amount to less than \$3 million, by funding many of the Health Department positions at \$1 and reducing the MUNI funding requirements.

- Recommendations:**
1. Given that the amount requested exceeds the \$3 million amount initially appropriated by the Board of Supervisors for backfilling General Fund positions, approval of the additional positions beyond the reserved \$3 million is a policy matter for the Board of Supervisors.
  2. Request that the Proposition A Committee immediately identify all of the General Fund positions to be eliminated from the fiscal year 1991-92 budget prior to approving any additional funds for backfilling.

City and County of San Francisco

Office of Controller

Attachment 1  
Page 1 of 5

April 6, 1992

Finance Committee  
Board of Supervisors  
Room 235, City Hall  
San Francisco, CA 94102

RE: Early Retirement Backfills

Dear Supervisors:

Attached is a list of 61 general fund funded positions approved for back filling by the Proposition A - Early Retirement Committee at its meeting of April 2. Also attached is a summary of the action of the Proposition A - Early Retirement Review Committee to date by department.

Once again, the Committee closely reviewed any positions with an annual salary in excess of \$60,000 as required by the Early Retirement legislation. Positions authorized with annual salary cost in excess of the \$60,000 threshold are indicated on the attached list with an asterisk. The Committee recommended back filling of a position from the date at which the department and Civil Service reasonably considered a replacement might be hired to the end of the fiscal year to minimize the amount of General Funds required.

Your approval to release \$530,234, of the remaining \$1,047,571, from the \$3,000,000 supplemental appropriation made for the purpose of back filling these mandated and critically needed positions is requested.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John W. Harrington", written over a horizontal line.

Edward Harrington  
Controller

cc: Prop A Committee Members  
Budget Analyst



STATUS OF \$3 MILLION APPROPRIATION FOR GENERAL FUND BACK FILLS OF PROPOSITION A VACANCIES AS OF 4/3/92:
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GENERAL FUND APPROPRIATION:	\$3,000,000	\$3,000,000
FUNDING RELEASED FROM RESERVE BASED ON RECOMMENDATIONS OF THE PROPOSITION A REVIEW COMMITTEE:		
AMOUNT RELEASED BY THE FINANCE COMMITTEE ON 3/25/92:	(\$1,867,425)	
AMOUNT RELEASED BY THE FINANCE COMMITTEE ON 4/1/92:	(\$879,322)	
	<u>(\$2,746,747)</u>	\$253,253
PORTION OF \$3 MILLION TO BE REPLENISHED BY THE DEPARTMENT OF PUBLIC HEALTH FROM DEPARTMENTAL REVENUES:		
AMOUNT RELEASED FROM RESERVE FOR THE FINANCE COMMITTEE FOR THE DEPARTMENT OF PUBLIC HEALTH ON 4/1/92:	\$560,298	
AMOUNT RECOMMENDED TO BE RELEASED FROM RESERVE BY THE FINANCE COMMITTEE FOR THE DEPARTMENT OF PUBLIC HEALTH ON 4/8/92:	<u>\$234,020</u> \$794,318	\$1,047,571
FUNDING RECOMMENDED FOR RELEASE BY THE FINANCE COMMITTEE ON 4/8/92:	(\$530,234)	<u>(\$530,234)</u>
BALANCE AVAILABLE FOR GENERAL FUND BACK FILLS:		\$517,337

## POSITIONS APPROVED BY PROPOSITION A COMMITTEE ON 4/2/92

DEPARTMENT	CLASS	COUNT	MAN- DATED	NON MAN- DATED	AMOUNT
13	ADULT PROBATION				
	8434 SUPERVISING ADULT PROBATION OFFICER	2		2	\$18,380
	Total:	2			\$18,380
29	CITY PLANNING				
	5115 DEPUTY DIRECTOR OF PLANNING	1 *		1	\$4,702
	Total:	1			\$4,702
35	MUNICIPAL RAILWAY				
	7130 GENERAL SUPERINTENDENT, FAC MAINT	1 *		1	\$12,281
	7253 ELECTRICAL TRANSIT MECHANIC SUPV I	1		1	\$8,765
	7309 CAR AND AUTO PAINTER	1		1	\$8,892
	7318 ELECTRONIC MAINTENANCE TECH	1		1	\$9,666
	7319 ELECTRIC MOTOR REPAIRER	2		2	\$14,843
	7329 ELECTRONIC MAINTENANCE TECH ASST SUPV	1 *		1	\$3,310
	7344 CARPENTER	1		1	\$8,182
	7379 ELECTRICAL TRANSIT MECHANIC	3		3	\$9,542
	7380 ELECTRICAL TRANSIT MECHANIC ASST SUPV	2		2	\$15,899
	9104 TRANSIT CAR CLEANER ASST SUPV	1		1	\$1,905
	9106 TRANSIT CAR CLEANER SUPV I	1		1	\$2,137
	Total:	15			\$95,423
42	RECREATION AND PARK				
	3266 CAMP MANAGER	1		1	\$7,305
	Total:	1			\$7,305
45	SOCIAL SERVICES				
	2944 CHILD WELFARE SUPERVISOR	1		1	\$12,552
	Total:	1			\$12,552
78	RECORDER				
	8106 LEGAL PROCESS CLERK	1		1	\$1 **
	Total:	1			\$1
79	PUBLIC ADMINISTRATOR/GUARDIAN				
	4231 SENIOR ESTATE INVESTIGATOR	1		1	\$1 **
	Total:	1			\$1
83	PUBLIC HEALTH CENTRAL OFFICE				
	1426 SENIOR CLERK TYPIST	3			\$12,585 ***
	2232 SENIOR PHYSICIAN SPECIALIST	1 *			\$11,889 ***
	2320 REGISTERED NURSE	1			\$7,462 ***
	2322 HEAD NURSE	1 *			\$9,976 ***
	2464 SENIOR MICROBIOLOGIST	2			\$14,657 ***
	2586 HEALTH WORKER II	1			\$4,057 ***
	2587 HEALTH WORKER III	1			\$4,441 ***
	2830 PUBLIC HEALTH NURSE	6 *			\$54,272 ***



DEPARTMENT	CLASS	COUNT	MAN- DATED	NON MAN- DATED	AMOUNT
2850 DIR, WOMEN, INFANT & CHILD'S PROG		1 *			\$10,009 ***
2930 PSYCHIATRIC SOCIAL WORKER		1			\$6,745 ***
Total:		18			\$136,093
86 SAN FRANCISCO GENERAL HOSPITAL					
2323 CLINICAL NURSE SPECIALIST		1 *			\$9,969 ***
Total:		1			\$9,969
87 COMMUNITY MENTAL HEALTH					
1844 SENIOR MANAGEMENT ASST		2			\$14,925 ***
2232 SENIOR PHYSICIAN SPECIALIST		2 *			\$23,778 ***
2246 ASST DIR CLINICAL SERVICES I		1 *			\$9,042 ***
2248 ASST DIR CLINICAL SERVICES II		1 *			\$11,259 ***
2548 OCCUPATIONAL THERAPIST		1			\$6,879 ***
2574 CLINICAL PSYCHOLOGIST		1			\$7,734 ***
2593 HEALTH PROGRAM COORDINATOR III		1			\$7,328 ***
2932 SENIOR PSYCHIATRIC SOCIAL WORKER		1			\$7,013 ***
Total:		10			\$87,958
90 PUBLIC WORKS					
1652 SENIOR ACCOUNTANT		1		1	\$3,280
2708 CUSTODIAN		4		4	\$50,912
7215 GENERAL LABORER SUPV I		1		1	\$17,863
7355 TRUCK DRIVER		3		3	\$70,754
8207 BUILDING AND GROUNDS PATROL OFFICER		1		1	\$15,041
Total:		10			\$157,850
GRAND TOTAL:		61			\$530,234

\* Annual salary is more than \$60,000.

\*\* Position will not require general fund support during this fiscal year.

\*\*\* The Health Department is submitting a supplemental which would provide funding to not only fund these positions for the remainder of the fiscal year, but should also provide sufficient funding to replenish the general fund monies appropriated for immediate backfills for 3 pay periods requested.

4/3/92

SUMMARY OF PROPOSITION A REVIEW COMMITTEE ACTION BY DEPARTMENT  
effects Committee action through 4/2/92 & based on retirements thru 3/27/92)

DEPARTMENT	TOTAL RETIRES	NON GEN'L FUND & MANDATED	POSITIONS BACKFILLED 3/25/92	POSITIONS BACKFILLED 4/1/92	POSITIONS RECOMMENDED FOR BACKFILL ON 4/8/92	% OF POSITIONS BACKFILLED TO TOTAL RETIRES	REMAINING POSITIONS
BOARD OF SUPERVISORS	1	0	0	0	0	0%	1
ASSESSOR	9	0	2	0	0	22%	7
CITY ATTORNEY	9	1	0	3	0	44%	5
DISTRICT ATTORNEY	9	4	0	0	0	44%	5
PUBLIC DEFENDER	1	0	0	0	0	0%	1
SHERIFF	1	0	0	0	0	0%	1
TREASURER-TAX C.	15	0	1	3	0	27%	11
CONTROLLER	44	0	0	8	0	18%	36
JUVENILE PROBATION	14	0	0	3	0	21%	11
ADULT PROBATION	9	0	0	0	2	22%	7
MAYOR	3	0	1	0	0	33%	2
COMMISSION ON AGING	4	4	0	0	0	100%	0
AIRPORT	67	67	0	0	0	100%	0
CITY PLANNING	5	0	1	1	1	60%	2
CIVIL SERVICE	6	0	1	1	0	33%	4
FIRE DEPARTMENT	3	0	0	1	0	33%	2
HETCH HETCHY PROJECT	23	23	0	0	0	100%	0
HEALTH SERVICE SYSTEM	3	0	2	0	0	67%	1
HUMAN RIGHTS CO	2	0	0	0	0	0%	2
MUNICIPAL RAILWAY	233	0	55	38	15	46%	125
PARKING & TRAFFIC CO	19	7	1	0	0	42%	11
POLICE COMMISSION	23	0	0	5	0	22%	18
PORT	11	11	0	0	0	100%	0
PUBLIC UTILITIES CO	40	16	0	1	0	43%	23
PUBLIC LIBRARY	33	0	12	0	0	36%	21
RECREATION & PARK	82	13	10	0	1	29%	58
RETIREMENT SYSTEM	4	0	1	0	0	25%	3
SOCIAL SERVICES	112	0	25	4	1	27%	82
WAR MEMORIAL	5	5	0	0	0	100%	0
WATER DEPARTMENT	31	31	0	0	0	100%	0
CO ON THE STATUS OF WOMEN	0	0	0	0	0	0%	0
PUBLIC LIGHT HEAT & POWER	1	0	1	0	0	100%	0
FINE ARTS MUSEUMS	7	0	0	0	0	0%	7
ASIAN ART MUSEUM	1	0	0	1	0	100%	0
CAO	1	1	0	0	0	100%	0
REAL ESTATE	3	0	0	1	0	33%	2
COUNTY AGRICULTURE-	1	0	1	0	0	100%	0
CORONER*	0	0	0	0	0	0%	0
ELECTRICITY	10	0	2	1	0	30%	7
RECORDER	1	0	0	0	1	100%	0
PUBLIC ADMINISTRATOR	1	0	0	0	1	100%	0
PUBLIC HEALTH-C. OFFICE	54	0	8	12	18	70%	16
LAGUNA HONDA	97	0	25	38	0	65%	34
GENERAL HOSPITAL	148	0	29	44	1	50%	74
COMM. MENTAL HEALTH	35	0	13	2	10	71%	10
PUBLIC WORKS	139	61	7	0	10	56%	61
PURCHASER	19	0	1	2	0	16%	16
CONVENTION FACILITIES	1	1	0	0	0	100%	0
TOTAL:	1340	245	199	169	61	46%	666

\* Proposition A Review Committee recommended an immediate backfill for the Coroner's Office on 3/19/92. The employee has since rescinded his retirement.



A handwritten signature in dark ink, appearing to be "Ed Harrington", written over a horizontal line.

101-91-55.1  
RECEIVED  
1990 MAR 19 10:41  
Attachment 2

March 19, 1992

Finance Committee  
Board of Supervisors  
235 City Hall  
San Francisco, CA 94102

Gentlemen:

File No. 101-91-55.1 appropriated \$3 million to back fill critical and mandated positions vacated because of the early retirement of the incumbents thereof. When the ordinance appropriating these funds was passed, the Board held the entire sum in reserve pending review of the specific vacated positions by the Finance Committee.

The Mayor, as required by the early retirement amendment to the charter (Section 8.517-1), has convened the review committee consisting of the Mayor, Controller and General Manager Personnel. The Committee has met and will authorize the back ~~filling~~ filling of positions commencing with their meeting on March 19. In order to have funds available for these back fills, it will be necessary to release the \$3 million of funds currently held in reserve by the Finance Committee.

Please calendar the release at the earliest possible meeting of the Finance Committee.

Very truly yours,

A handwritten signature in dark ink, appearing to be "Ed Harrington", written over a horizontal line.  
Edward Harrington  
Controller

cc: Budget Analyst  
Prop A Review Committee

Items 9, 10 and 11 - Files 97-92-12, 115-92-4, and 115-92-5

**Department:** City Planning

**Item:** Ordinance (File 97-92-12) amending the Administrative Code by amending Sections 31.46 and 31.46A concerning planning fees for nonprofit organizations: companion measure to Files 115-92-4 and 115-92-5.

Ordinance (File 115-92-4) amending the City Planning Code by amending Sections 351, 361 and 362 of Article 3.5 and amending Sections 351, 362, and 363 of Article 3.5A to exclude exemptions to nonprofit organizations from planning fees, and extending payment of planning fees to the time of building permit issuance for certain nonprofit housing developers (January 30, 1992 version).

Ordinance (File 115-92-5) amending the City Planning Code by amending Sections 351, 361 and 362 of Article 3.5 and amending Sections 351, 362, and 363 of Article 3.5A to exclude exemptions to nonprofit organizations from planning fees, and extending payment of planning fees to the time of building permit issuance for certain nonprofit housing developers (February 13, 1992 version).

**Description:** The proposed ordinances would amend the Administrative Code and the Planning Code to require that fraternal, charitable, benevolent and other non-profit organizations (non-profit organizations) pay fees to the Department of City Planning for planning services for which nonprofit organizations are currently exempt from paying.

The proposed ordinance (File 97-92-12) would require that nonprofit organizations pay fees to the Department of City Planning for an initial evaluation of a project and pay fees for the preparation of an environmental impact report. Currently, the Administrative Code exempts certain non-profit organizations from paying for those services. The proposed ordinance would also accommodate the financing needs of non-profit project sponsors of residential units that are affordable to low and moderate income households by delaying the collection of application fees from the time the application is submitted to the time of issuance of the building permit.

The proposed ordinance (File 115-92-4) would require that non-profit organizations pay fees to the Department of City Planning for services related to applications for changes in setback lines, to reclassify property, to authorize a conditional use, to consider a variance or to review a coastal permit.

Currently, the Administrative Code exempts non-profit organizations from paying for those services. The proposed ordinance would require that non-profit organizations pay 75 percent of the specified fees provided that the application is for the development of residential units, all of which are affordable to low and moderate income households for a period of 20 years. The proposed ordinance would also accommodate the financing needs of such non-profit project sponsors by delaying the collection of application fees from the time the application is submitted to the time of issuance of the building permit.

The proposed ordinance (File 115-92-4) would also require that non-profit organizations pay fees to the Department of City Planning for services related to Transfer of Development Rights (TDR) and to Article 11 of the Planning Code (Preservation of Buildings and Districts of Architectural, Historical and Aesthetic Importance in C-3 Districts) by amending Sections 361 and 362 of Article 3.5 and amending Sections 362 and 363 of Article 3.5A to remove the exemption currently afforded such non-profit organizations.

The proposed ordinance (File 115-92-5) is identical to File 115-92-4 in all of its particulars except that it also provides that when the City and County is contributing at least 50 percent but less than 75 percent, of the financing for projects meeting the aforementioned affordable housing project criteria, the fees paid by non-profit organizations for such affordable housing developments shall be 50 percent of the specified fee. The proposed ordinance provides that when the City is contributing 75 percent or more of the project funding, the entire fee shall be waived. As noted above, File 115-92-5 was completed approximately two weeks after File 115-92-4.

Fee schedules for an initial evaluation of a project and for an environmental impact report are set forth in Section 31.46A, Basic Fees, of the Administrative Code.

Similarly, fee schedules for Reclassifications of Property, Conditional Use Authorization Variances, Requests Relating to TDR and Article II Designated Buildings, Designation of Landmarks, Amendment or Rescission of Landmarks, and Certificates of Appropriateness are set forth in Sections 351, 362 and 363 of Article 3.5A of the Planning Code.

**Comments:**

1. According to Mr. Alec Bash of the Department of City Planning, the Department intends that Item 11 (File 115-92-5) completely replace Item 10 (File 115-92-4) and therefore requests that Item 10 (File 115-92-4) be tabled.



2. Fee schedules contained in Section 31.46A (File 97-92-12), and Sections 351, 362, and 363 of Article 3.5A (Files 115-92-4 and 115-92-5), for the subject Planning Department services are shown in the Attachment to this report. Non-profit organizations would be subject to pay fees for those services that are shown in the attachment.

3. Mr. Bash reports that the objective of the proposed changes is to collect those revenues that are necessary to support the staffing to provide a high priority to affordable housing development applications. Mr. Bash further reports that the Department of City Planning estimates that a total of approximately \$75,000 would be collected from the subject fee change proposal in FY 1992-93, and that no additional staff would be required.

4. Mr. Bash reports that the proposed changes to the Administrative Code and to the Planning Code were developed in consultation with the Council of Community Housing Organizations and the Housing Division of the Mayor's Office of Economic Planning and Development.

5. Mr. Passmore reports that for fiscal year 1990-91, the Department of City Planning would have collected \$190,500 at the proposed 75 percent level from qualifying non-profit organizations for services associated with 12 conditional use applications and five variance applications.

**Recommendations:** 1. In accordance with the intentions of the Department of City Planning, table File 115-92-4.

2. Approval of the proposed ordinances (Files 115-92-5 and 97-92-12) is a policy matter for the Board of Supervisors.



File 97-92-12

Existing Fees

<u>Type of Review</u>	<u>Basis of Fee</u>	<u>Examples of Basis Amount</u>	<u>Admin. Code Section 31.46A</u>
Initial evaluation of a project	Construction Cost	\$10,000	\$300
		100,000	570
		500,000	1,560
		10,000,000	19,810
		100,000,000	38,810
Environmental Impact Report	Construction Cost	150,000	11,000 *
		950,000	13,100
		15,000,000	34,090
		75,000,000	54,340
		100,000,000	59,340

\* For projects less than \$200,000, the amounts of \$7,000 and \$11,000 are for each 200 staff-hours or fraction thereof.

Files 115-92-4\* and 115-92-5

<u>Type of Review</u>	<u>Basis of Fee</u>	<u>Examples of Basis Amount</u>	<u>Admin. Code Sec. 3.A.</u>	<u>Remarks</u>
Reclassification of Property	Assessor's Block or portion thereof	1 block 9 blocks	\$1,000 3,000	
Conditional Use/ Coastal Zone Permit	Construction cost	\$10,000 500,000 10,000,000 100,000,000	325 1,807 30,682 107,882	
Variance	Construction cost	10,000 500,000 10,000,000 100,000,000	500 1,872 30,872 108,872	
Requests Relating to TDR and Article 11 designated buildings	Construction Cost	Minor Less than \$10,000 but not minor \$10,000 20,000 100,000	0  200 410 438 666	Fees conform to fee schedule for review of conditional use applications.
Designation of Landmark	Each application		100	
Amendment or rescission of Landmark	Each application		250	
Certificate of Appropriateness	Construction Cost	9,999 10,000 50,000	200 410 524	

\*Department requests that File 115-92-4 be tabled.



Item 12 - File 115-92-3

**Department:** City Planning

**Item:** Ordinance amending the City Planning Code by adding Section 176.1 to create an administrative hearing procedure to enforce Planning Code requirements and a procedure to recover administrative costs of enforcement through assessments and liens.

**Description:** Article 1.7 of the City Planning Code, "Compliance," specifies the minimum requirements to which uses, structures, lots, features, and conditions must conform to be in compliance with provisions of the Planning Code. Section 176 of Article 1.7, "Enforcement Against Violations," specifies that "the Zoning Administrator shall have the authority to enforce this Code against violations thereof by any of the following actions:"

- Serving notice requiring the cessation, removal, etc., of the violation;
- Calling upon the City Attorney to take appropriate enforcement actions;
- Calling upon the District Attorney to institute criminal proceedings;
- Calling upon the Chief of Police and authorized agents to assist in the enforcement of the Code.

Article 1.7 provides civil penalties, "not to exceed \$500 for each day such violation is committed or permitted to continue, which penalty shall be assessed and recovered in a civil action brought ... in any court of competent jurisdiction." Article 1.7 further provides that violation of the Codes' provisions constitutes a misdemeanor and that conviction thereof may result in a fine not to exceed \$500 or imprisonment not to exceed each day that such violation is committed or permitted to continue.

The Bureau of Building Inspection of the Department of Public Works (DPW) currently has a violation abatement process which includes provisions for public hearings and cost recovery for time and materials. The Planning Code does not provide such a violation abatement process and does not provide for public hearings and cost recovery. Rather, the Zoning Administrator only has access to enforcement through the City Attorney and other agencies previously

cited. Staff of the City Planning Department have been working with the Bureau of Building Inspection and the City Attorney's Office to develop a comparable process for the Department of City Planning that offers both cost recovery and greater coordination with the DPW's Bureau of Building Inspection in enforcing City Codes.

The proposed ordinance would institute a violation abatement process, to eliminate Planning Code violations, that parallels the process used by the Bureau of Building Inspection and that would include the following major activities:

- Investigation and Complaints;
- Notice of Violation;
- Notice of Hearing;
- Hearings;
- Case Decisions;
- Contents of Cease and Desist Orders;
- Posting and Service of Cease and Desist Orders;
- Compliance; Rescission of Orders;
- Appeals;
- Report of Costs; Notice of Hearing on Confirmation;
- Hearing and Confirmation of Report for Special Assessment of Costs;

The proposed Planning Code violation abatement process would be operated by the Zoning Administrator, who would hear and decide cases. The Zoning Administrator may also designate a staff member of the Department of City Planning to act in his or her place to hear and decide cases.

The proposed ordinance provides that recoverable costs from Planning Code violations are the Zoning Administrator's administrative costs, including the cost of preparing cases and appearing at hearings, costs incurred by other departments in providing resources, and all prior and subsequent attendant costs from the time of initiating the investigation.

The proposed ordinance would also create a special revolving fund, to be known as the "Planning Code Enforcement Fund," for the purpose of depositing funds collected from the activities of the proposed ordinance. Those funds would be used to defray the costs and expenses, including administrative expenses, that would be incurred by the Zoning Administrator in carrying out the provisions of the proposed ordinance.

**Comments:**

1. The City Planning Department provided notice of a public hearing on March 5, 1992 to consider these proposals, at which time the City Planning Commission continued the matter until March 12, 1992, on which date the Commission considered the matter after receiving public testimony. At the March 12, 1992, meeting of the City Planning Commission, the Commission adopted Resolution No. 13314 approving the provisions of the proposed ordinance.

2. Resolution No. 13314 provides that "The Planning Commission's recommendation of enactment of these proposals is not in any way changing the City's policies which favor retention of illegal units." Illegal units are defined as dwelling units that have not been authorized under the City's regulatory requirements. Mr. Alec Bash of the Department of City Planning reports that the policy that favors retention of illegal dwelling units is found in the Residence Element of the City's Master Plan, which calls for retaining the existing supply of housing and discouraging housing demolitions.

3. According to Mr. Robert Passmore, the Zoning Administrator, the proposed ordinance would provide better service to the general public and property owners by providing parallel violation abatement processes with improved coordination between the Department of City Planning and the DPW's Bureau of Building Inspection. Mr. Passmore further reports that the proposed ordinance would begin to shift the burden of funding violation abatement activities from the General Fund to the specific property owners who are in violation of the City Planning Code. Mr. Bash reports that the Department estimates that \$50,000 would be collected from the proposed enforcement procedures on an annual basis.

4. The Budget Analyst published a management audit report of the Department of City Planning in December of 1988. Included in that audit report was the following recommendation concerning Planning Code violations:



We recommend that the Director of Planning:

- Pursue, in conjunction with the City Attorney's Office, a method for recovering the costs of abating Planning Code violations.

5. The Budget Analyst published a management audit report of the City's Permit Processing System in October of 1989. In that audit report, the Budget Analyst identified a violation abatement backlog of approximately 4,000 cases that would require an estimated four full-time equivalent positions to eliminate over a greater than two year period.

6. Mr. Passmore further reports that additional staff to implement the proposed procedures have been requested in the Department's FY 1992-93 budget, subject to passage of the proposed legislation. Mr. Passmore reports that one-half time each of a Planner II, 5278, and a Senior Clerk Typist, 1426, with a combined annual salary requirement of \$43,899, would be required. Mr. Bash reports that should those positions not be funded, the Planning Commission would have to decide on whether to implement the proposed procedures.

7. The average hourly rate for costs that would be assessed for the investigation and disposition of Planning Code violations is approximately \$55 per hour.

8. According to Mr. John Madden, Deputy Controller, monies deposited in the proposed Fund would be carried forward each year. Mr. Madden also reports that the Fund's proceeds would be deposited in an interest bearing account and could be used only for Planning Code violation abatement purposes. However, Mr. Madden reports that rather than establishing a special fund, the objectives could be accomplished within the Department's General Fund budget, with the advantage of having all of the Department's revenues and expenses in one budget. Mr. Madden further reports that this could be coded "L" in the City's budget as being revenue supported for the particular enforcement purpose.

9. Mr. Passmore reports that Planning Department staff would work with other City agencies that may be affected by the legislation, such as DPW's Bureau of Building Inspection, the Fire Department, and the Health Department, to develop memoranda of understanding to ensure appropriate coordination.

10. The Office of Environmental Review of the Department of City Planning has determined that the project is excluded from California Environmental Quality Act (CEQA) review.

- Recommendations:**
1. While the Budget Analyst previously made recommendations in prior management audit reports to enhance the enforcement of the Planning Code, the Budget Analyst did not recommend additional positions be created. Therefore, given the City's current fiscal problems, approval of the proposed ordinance to create an administrative hearing procedure to enforce Planning Code requirements and a procedure to recover administrative costs of enforcement through assessments and liens which would require the addition of two one-half time City positions is a policy matter for the Board of Supervisors.
  2. If the Finance Committee decides to approve the proposed ordinance, amend the proposed provisions to delete the establishment of the special "Planning Code Enforcement Fund." The Planning Department should request any additional funding needs in the City's regular budgetary process, thereby eliminating the need to establish a new special fund.



Item 13 - File 65-92-6

**Department:** Recreation and Park Department

**Item:** Ordinance approving a lease with the Golden Gate Yacht Club to operate a Yacht Club at the San Francisco Marina.

**Description:** The proposed ordinance would authorize the execution of a lease between the City and the Golden Gate Yacht Club, for the Club to maintain and operate a recreational boating and racing-oriented yacht club. The Golden Gate Yacht Club has occupied the site at the Marina Yacht Harbor since 1939 under an informal arrangement with the Recreation and Park Department, but currently does not have a formal lease with the City. Ms. Robin Burgstahler of the Recreation and Park Department reports that although the Golden Gate Yacht Club had approached the City as long as ten years ago to request a lease agreement, the parties could not agree on the terms of the lease, including the amount of rent which was to be paid, and thus the City never entered into a formal lease with the Golden Gate Yacht Club. The proposed lease would apply to an area which includes 359 linear feet of berth, 3,600 square feet of land and 7,968 square feet of water. This area includes a clubhouse, grounds, parking area and and four guest berths.

The Golden Gate Yacht Club is a private club. The proposed lease would provide public access according to the following provisions:

- Restrooms must be available for free public use whenever the Club is open for its members;
- Club facilities must be made available to the public at least one-half of the total days and hours they are open for club members, including at least one weekend day and evening per week;
- A day use fee of \$5 would be charged for access to club facilities. The day use fee would be set by the Recreation and Park Commission and would not be subject to approval to the Board of Supervisors.

The proposed lease would last for 40 years. In addition, according to the Recreation and Park Department, the proposed lease has not been offered for competitive bid in consideration of the following: 1) all of the existing facilities were built by the Club and the Club would make significant additional improvements at its own expense, 2) the title to all real property improvements will revert back to the City at the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

expiration of the lease, and 3) the proposed rent schedule is comparable to other club leases on other City property and to similar operations in other jurisdictions according to a survey prepared by the Department.

**Comments:**

1. Any revenues received by the City from the Golden Gate Yacht Club are deposited into a special fund, the Yacht Harbor Fund, which was established to provide funds for maintenance and operations of the Marina Yacht Harbor facility. Any monies remaining in this Fund at the end of any fiscal year collect interest and are carried forward into subsequent fiscal years.

2. According to the Recreation and Park Department, the Golden Gate Yacht Club facilities were damaged in the Loma Prieta earthquake of 1989. In addition, the Club proposes to upgrade the existing facilities at an estimated cost of \$500,000. The Club has acquired approval from the Small Business Administration (SBA) Disaster Assistance Section for a low interest loan of \$369,000 to make improvements to the site. In addition, the Club anticipates collecting additional monies from club members and from a one-time assessment to fund the remaining \$131,000 of projected upgrade costs. Under the proposed lease, in the event that the Club defaults on their loan, the City would not be liable for any payments for the balance of the loan payments. The proposed lease also provides that any subsequent lessee would assume payment of the SBA loan, pending approval of the lessee by the SBA. The proposed SBA loan would last for 30 years.

3. The proposed \$500,000 facilities upgrade would include a clubhouse expansion of approximately 1,800 square feet to be used as a dining room, additional storage space and men's and women's showers. In addition, the existing clubhouse would be placed on a proper foundation, the exterior, entry and restrooms would be remodeled for handicap accessibility, windows would be refurbished and the utility system would be upgraded to meet current Building Code standards. The Club anticipates that these renovations would be completed within one year. The Club would be closed during the completion of the renovation work.

4. Currently, the Golden Gate Yacht Club pays the City \$5,700 annually. Under the proposed lease, the City would receive ten percent of the annual gross receipts. Gross receipts would include the total gross revenues derived from dues and assessments to members, day use fees, guest berth fees, and vending machine revenues. Each year, the total



rent paid would in no event be less than the annual minimum rent as outlined below:

Year 1 Annual minimum rent is waived during construction or for the first 12 months of the proposed lease, whichever is first;

Years 2-6\* Annual minimum rent is adjusted each year to equal 105 percent of the previous year's percentage rent payable;

Years 7-40\* Annual minimum rent is adjusted every three years equal to 90 percent of the average annual percentage rent paid during the three previous years;

\*In no event would the annual minimum rent be less than \$18,000 per year.

5. The Recreation and Park Department has projected that based upon current levels of gross receipts received by the Club from all sources, the City can anticipate receiving approximately \$18,240 annually under the proposed lease, and these revenues would increase assuming the proposed improvements are completed and greater revenues are generated by the Club (excluding year one of the proposed lease when the minimum annual payment would be waived). As noted above, the current rent which the City receives from the Club is \$5,700 annually.

6. Mr. Tony Delucchi of the Real Estate Department reports that as outlined in the San Francisco Charter, certain City department leases, including Recreation and Park Department leases for parks and other recreational sites are not under the jurisdiction of the Real Estate Department. Therefore, the Real Estate Department has not participated in the proposed lease negotiations and has not determined the fair market value of the proposed lease.

7. The membership fees under the proposed lease would remain at their current rates. Any increase in membership fees, to fund the proposed construction project, would be subject to approval by the Recreation and Park Commission. However, these increased membership fees have not yet been determined. The Board of Supervisors would not have approval jurisdiction over these rates. The current membership fees are as follows:



<u>Membership Type</u>	<u>Initiation Fee</u>	<u>Monthly Dues</u>
Regular	\$500	\$25.00
Regular Family	525	37.50
Associate	150	25.00
Associate Family	175	25.00
Corinthian	250	25.00
Aeolian	30	25.00

The use of Club facilities and participation in Club events varies for the above-listed types of membership types.

8. The proposed lease was approved by the Recreation and Park Commission on July 25, 1991. According to Ms. Burgstahler, the proposed lease was not submitted to the Board of Supervisors sooner because the Department was waiting for the SBA to finalize its loan agreement with the Golden Gate Yacht Club in order to include it as part of the proposed lease.

9. On March 16, 1992, the Board of Supervisors approved a motion which directed the Budget Analyst to conduct an audit of the Marina Yacht Harbor facilities. Given that this audit will include a review of the Golden Gate Yacht Club prior, current and proposed arrangements with the City, this audit may produce findings which would affect our analysis and recommendation on the proposed lease. The Budget Analyst therefore recommends continuing the proposed lease pending the completion of the Budget Analyst's audit of the Marina Yacht Harbor facilities. The Budget Analyst anticipates that the audit will be completed during the Summer of 1992.

**Recommendation:** Continue the proposed lease pending the completion of the Budget Analyst's audit of the Marina Yacht Harbor facilities.

Item 14 - File 12-92-14

**Item:** Resolution supporting AB 3297, which amends the California Government Code to adjust salaries and number of personnel of the Superior and Municipal Courts. The State Government Code designates the classifications, numbers and salaries of judges and other support personnel in all California counties' Superior and Municipal Courts.

**Department:** Superior Court  
Municipal Court

**Description:** Proposed Assembly Bill (AB) 3297 State legislation would amend certain sections of the California Government Code to authorize salaries and the number of personnel in San Francisco's Superior and Municipal Courts at the level which was approved by the Board of Supervisors for Fiscal Year 1991-92. Each year, all changes in the number and compensation of all personnel in the Superior and Municipal Courts authorized by the Board of Supervisors must be ratified by the State Legislature. This routine ratification generally takes place approximately one year after they are authorized in the Court budgets by the Board of Supervisors. State legislation authorizing the number of salaries of all Municipal and Superior Court personnel authorized by the Board of Supervisors for the forthcoming 1992-93 fiscal year will not be adopted until approximately one year from now.

In order for the State Legislature to approve AB 3297, the Board of Supervisors must first pass a resolution supporting AB 3297. The proposed resolution would support AB 3297, which would in turn allow the State Legislature to approve AB 3297.

**Comment:** There are no additional costs to the City and County as a result of the enactment of AB 3297, since any costs associated with salaries and the number of positions in the Superior and Municipal Courts were included in the Courts' budgets for Fiscal Year 1991-92.

**Recommendation:** Approve the proposed resolution.



Item 15 - File 270-92-2

- Department:** Chief Administrative Officer (CAO)  
Department of Public Works (DPW)
- Item:** Resolution authorizing the Chief Administrative Officer, and other designated City and County officials to execute and file, on behalf of the City and County of San Francisco, certain documents relating to Federal and State Financial Assistance under the Federal Disaster Relief Act, or Federal Assistance otherwise available from the President's Disaster Relief Fund and the State of California Natural Disaster Assistance Act Program, and rescinding Resolution No. 779-89.
- Description:** The proposed resolution would authorize individuals in the Chief Administrative Officer's (CAO) Office and the Department of Public Works (DPW) to execute documents for the purpose of obtaining Federal and State assistance available to the City and County of San Francisco for expenditures incurred as a result of the 1989 Loma Prieta Earthquake. The previous resolution (Resolution No. 779-89) authorized the Mayor's Office to execute these documents.
- Comments:**
1. Ms. Ann Branston of the CAO's Office reports that since the earthquake-related projects currently underway are primarily buildings and structures under the jurisdiction of the CAO's Office, the proposed resolution would enable the CAO's Office and the DPW to expedite the reimbursement process by allowing these departments to execute documents on behalf of the City.
  2. According to Mr. John Sucich of the CAO's Office, for the quarter ending March 31, 1992, General Fund Departments have received a total of approximately \$49 million of Federal and State reimbursements relating to the 1989 Loma Prieta Earthquake. This \$49 million is comprised of approximately \$28 million from the Federal Emergency Management Agency (FEMA), approximately \$18 million from the State Office of Emergency Services (including approximately \$3 million in funds received immediately after the 1989 Loma Prieta Earthquake for initial cleanup costs), and approximately \$3 million from Federal Aid Urban (FAU) funds for earthquake-damaged streets.
  3. Although a total of \$49 million of Federal and State reimbursements have thus far been received for General Fund departments, according to the DPW's Damage Survey Report of February, 1991, a total of approximately \$59 million in reimbursable funds have been authorized by the Federal

and State governments. Non-General Fund departments such as the Port and the Water Department and Airport file separate applications for funds, and therefore these departments are not included in this \$59 million estimate. The proposed resolution would only authorize the CAO's Office and the DPW to file documents on behalf of General Fund departments, and non-General Fund departments would execute separate documents. Mr. Sucich reports that the total estimated cost to complete earthquake-related projects for the City's General Fund departments is approximately \$160 million, and the City will continue to negotiate with Federal and State agencies to recover additional reimbursements of approximately \$101 million (\$160 million in total estimated costs less \$59 million in authorized funds).

**Recommendation:** Approve the proposed resolution.

Item 16 - File 27-92-1

**Item:** Ordinance Approving Modification No. 4 of the lease agreement between American Airlines, Inc., and City and County of San Francisco, acting by and through its Airports Commission

**Department:** Airports Commission

**Location:** San Francisco International Airport (SFO)

**Lessee:** American Airlines

**Description:** American Airlines entered into a lease with the City July 1, 1981. That lease includes a ramp-level maintenance room of 508 square feet located in the North Terminal. The rent for this maintenance room is \$22.01 per sq ft per year, for a total yearly rent of \$11,181. American Airlines no longer needs that maintenance room, and the room has been vacant for some time. Therefore, American Airlines is requesting a modification to their lease to delete the 508 square foot maintenance room.

Mr. Bob Rhoades of the Airport advises that the vacated maintenance room would be used by the Airport's maintenance workers for equipment storage. A maintenance room currently used by Airport maintenance workers for equipment storage, a 256 square feet room at the International Terminal, would be vacated. The Airport would then issue a permit to the San Francisco Foreign Flag Carriers to allow them to occupy the maintenance room at the International Terminal for \$22.01 per square foot per year, for a total annual payment to the Airport of \$5,635. Thus, the reduced annual revenues to the Airport if the proposed lease modification were approved would be \$5,546 per year (\$11,181 less \$5,635). The San Francisco Foreign Flag Carriers is an association of international carriers which would use the space at the International Terminal for equipment storage.

**Comments:** 1. Mr. Bob Rhoades of the Airport advises that a permit, such as the one to be issued to the San Francisco Foreign Flag Carriers, is an alternative to a lease agreement. The Board of Supervisors would not be required to authorize such a permit.

2. According to Mr. Rhoades, the \$5,546 reduction in revenue would have no impact on the Airport's budget.

**Recommendation:** Approve the proposed resolution.





Memo to Finance Committee  
April 8, 1992

Item 17 - File 101-90-115.1

**Department:** Department of Parking and Traffic (DPT),  
Parking Authority

**Item:** Release of Reserved Funds for architectural services  
contract and art enrichment program for the Vallejo Street  
- Churchill Alley Garage

**Amount:** \$560,000

**Source of Funds:** Off-Street Parking Fund

**Description:** The Board of Supervisors previously approved a supplemental appropriation request for the DPT in the amount of \$600,000 for architectural and engineering services for the planned Vallejo Street/Churchill Alley Garage (File 101-90-115). At the same time, the Board of Supervisors placed the entire \$600,000 on reserve pending the DPT providing finalized cost details for the architectural and engineering services. The DPT had previously reported that Tai Associates Architects, a certified MBE firm, had been awarded a contract by the DPT to provide the necessary architectural and engineering services. However, the DPT had not had the opportunity to complete the contract negotiations with Tai Associates and as such DPT could not, at that time, provide final cost details for the contract.

The DPT now reports that the Department has negotiated the following fees and allowances under the contract with Tai Associates:

Basic Consultant Services	\$580,000
Additional Services Allowance*	60,000
Additional Meeting Allowance**	30,000
Reimbursable Expenses Allowance***	<u>32,000</u>
Total	\$702,000

\* The Additional Services Allowance includes monies for Tai Associates to hire consultants, which include a soils engineer, a surveyor and a consultant for construction materials testing services.

\*\* The Additional Meeting Allowance would provide reimbursement to Tai Associates for meeting time associated with community meetings and with the Art Commission in connection with the art enrichment program.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

\*\*\* The Reimbursable Expenses Allowance would provide reimbursement for various costs such as printing costs for plans to be provided to the City and mileage costs that are directly related to the garage project.

Mr. Phil Sowers of the DPT reports that the contract with Tai Associates was negotiated on the basis of specific tasks to be performed and not on the number of hours to be provided at a given hourly rate.

The DPT advises that the contract with Tai Associates provides for an initial contract payment award in the amount of \$542,000, which would provide funding for Tai Associates to complete their work through the bidding of the construction contract for this project. This initial contract award of \$542,000, is detailed below:

Preliminary Design	\$100,000
Design Development	110,000
Construction Documents	230,000
Bidding	25,000
Additional Services Allowance for Survey and Soils Testing	\$15,000
Additional Meetings Allowance	30,000
Reimbursable Expenses Allowance	<u>32,000</u>
Total Initial Contract Award	\$542,000

In addition to the \$542,000, required for the initial contract award payment to Tai Associates, the DPT is also requesting that \$18,000 of the \$600,000 be released for administrative costs and the design development contract for the art enrichment program for the Garage, bringing the total amount requested to be released from reserve to \$560,000. Mr. Hagerty advises that although the administrative costs and design development contract costs for the art enrichment program were not originally included in the \$600,000 supplemental request for architectural and engineering services, there is a need for the art enrichment program to be coordinated with the architectural services in order that the art work can be incorporated into the architectural design. Mr. Hagerty reports that of the \$18,000 proposed for the art enrichment program \$10,000 would be expended for administrative costs and \$8,000 would be expended for the design development contract.

**Comments:**

1. As of the writing of this report the DPT was unable to provide (1) specific information on the relationship, if any, of Tai Associates hourly rates to the fees and allowances negotiated under the contract, (2) the specific work to be performed by Tai Associates for the initial contract award of \$542,000, in relation to the total work to be performed for the overall contract amount of \$702,000 (3) details on the contract expenditures for allowances outside of the basic consultant services category and (4) specifics on the administrative costs and design development contract.

2. Mr. Hagerty reports that the DPT has requested that the proposed resolution be continued for one week, in order to allow additional time for the DPT to provide additional detailed information on the these items.

**Recommendation:**

Continue this item one week as requested by the DPT.



Item 18 - File 146-91-61.3

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Release of reserved funds, in an amount totalling \$151,832, for contractual services for AIDS/HIV Prevention/Education Services, (\$46,245, Hispanic Headquarters Advertising, \$40,587, Japanese Community Youth Council, \$40,000, Filipino Task Force on AIDS and \$25,000, The Support Center)

**Amount:** \$151,832

**Description:** The Board of Supervisors previously approved a resolution authorizing the DPH to accept and expend a Master Grant from the State Department of Health Services, Office of AIDS (File 146-91-61). As part of the Master Grant Agreement, the DPH oversees Education and Prevention Services which are provided by non-profit organizations as subcontractors. Of the total Master Grant, the Board of Supervisors reserved \$396,458 pending determination of contract budgets. The DPH is now requesting that \$151,832 of that \$396,458 be released. The DPH proposes to contract with the following organizations: (1) Hispanic Headquarters Advertising, at \$46,245, to provide 4,320 service units of HIV/STD prevention and health education to the general Latino community; (2) Japanese Community Youth Council, at \$40,587, to provide AIDS education and prevention services to the Asian American community; (3) the Filipino Task Force on AIDS, at \$40,000, to provide education through individual contact, dissemination of information, and community organizing in various settings such as street fairs, community events, formal educational settings, or neighborhood presentation; and (4) The Support Center, at \$25,000, for direct technical assistance to improve management capability of minority service providers.

**Contract Budgets:** Hispanic Headquarters Advertising

Personnel

Outreach Specialists	\$32,000	
Fringe Benefits at 20 percent of salaries	<u>6,400</u>	
Total Personnel		\$38,400

Operating Expenses

Office Supplies	1,225	
Rent	1,500	
Utilities	<u>500</u>	
Total Operating Expenses		3,225

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Indirect Costs

Secretarial Support	\$770
Insurance	924
Audit	1,540
Depreciation	231
Accounting	<u>1,155</u>
Total Indirect Costs	
at 12 percent of total personnel	<u>\$4,620</u>

Hispanic Headquarters Advertising Total \$46,245

*Japanese Community Youth Council*

Personnel

Project Director	\$4,812
Project Coordinator (Southeast Asian)	3,750
Project Coordinator (Chinese)	3,000
Health Educator II	<u>8,250</u>

Personnel Subtotal	\$19,812
Fringe Benefits at 20 percent	<u>3,962</u>

Personnel Total \$23,774

Consultation (see Comment 2) 3,670

Operating Expenses

Office Supplies	548
Postage	547
Printing & Reproduction (includes brochures, Chinese AIDS pamphlets, Chinese bilingual newsletters, Korean AIDS poster)	3,073
Rent	2,944
Local Travel	168
Telephone	592
Workshop Supplies (includes condoms, dental dams, lubricants, bleach, purchased literature, video)	<u>1,250</u>

Total Operating Expenses	<u>9,122</u>
Subtotal	<u>\$36,566</u>

Indirect Costs at 11 percent of above subtotal 4,021

Japanese Community Youth Council Total \$40,587

**Filipino Task Force on AIDS**

**Personnel**

Executive Director (.1 FTE)	\$350	
Project Coordinator (.9 FTE)	21,780	
Fringe Benefits at 22 percent	<u>4,869</u>	
Personnel Total		\$26,999

**Operating Expenses**

Insurance	1,000	
Equipment Rental (typewriters and computer equipment)	1,000	
Rental of Property	3,500	
Utilities	<u>1,700</u>	
Total Operating Expenses		7,200

**Materials and Supplies**

Office Supplies	400	
Postage	400	
Printing and reproduction	500	
Educational Materials	<u>300</u>	
Total Materials and Supplies		1,600

**Travel**

Local Travel (12 MUNI Fast Passes at \$32 each)	384	
Conference on AIDS in the Filipino Community (one attendee)	<u>315</u>	
Total Travel		699

**Training**

	200	
<u>Indirect Costs</u> at 12 percent of total personnel	<u>3,302</u>	
Total Filipino Task Force on AIDS		\$40,000

**The Support Center**

<u>Project Manager</u>	\$15,171	
<u>Operating Expenses</u> (includes rent, equipment, telephone, postage, reproduction, equipment)	7,009	
<u>Indirect Costs</u> at approximately 19 percent of personnel	<u>2,820</u>	
Total The Support Center	<u>\$25,000</u>	
Total Request		\$151,832

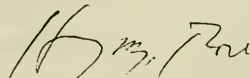
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. The proposed contract with Hispanic Headquarters Advertising would be an augmentation to a renewal of an interim sole-source contract. The contract with Hispanic Headquarters Advertising would be bid competitively within a year. The contract with the Japanese Community Youth Council would be a renewal of a contract established through a competitive bid. The contract would be rebid competitively within two years. The contract with the Filipino Task Force on AIDS would be a renewal of a contract established through a competitive bid, and would be rebid competitively in 1993. The Support Center would be a renewal of a sole source contract. The Support Center contract would be competitively bid in 1993. All of the proposed contractors are non-profit organizations.

2. The Japanese Community Youth Council would provide services to the Japanese, Southeast Asian, Chinese, and Korean communities. The Japanese Community Youth Council would consult with non-profit organizations that work primarily with those other Asian communities, and the cost of these consultations, except for the Korean community, will be supported by other funding sources. The Korean consultation would be supported by this grant, at a cost of \$3,670.

**Recommendation:** Release the reserved funds of \$151,832.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4/15/92

CALENDAR

APR 13 1992

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, APRIL 15, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 25-92-5. [Contracting Out City Services] Resolution approving the Controller's certification that Pretrial Diversion Program for the City and County of San Francisco can practically be performed by private contraction at a lower cost for the year commencing July 1, 1992 than if work were performed by City and County employees. (Sheriff)
- b. File 25-92-6. [Contracting Out City Services] Resolution approving the Controller's certification that County Jail Food Service Management Operations for the City and County of San Francisco can practically be performed by private contraction at a lower cost for the year commencing July 1, 1992 than if work were performed by City and County employees. (Sheriff)
- c. File 25-92-7. [Contracting Out City Services] Resolution approving the Controller's certification that San Francisco "O.R." Project for the City and County of San Francisco can practically be performed by private contraction at a lower cost for the year commencing July 1, 1992 than if work were performed by City and County employees. (Sheriff)
- d. File 25-92-8. [Contracting Out City Services] Resolution approving the Controller's certification that the Eviction Assistance Program for the City and County of San Francisco can practically be performed by private contraction at a lower cost for the year commencing July 1, 1992 than if work were performed by City and County employees. (Sheriff)

- e. File 25-92-9. [Contracting Out City Services] Resolution concurring with the Controller's certification that Convention Facilities Management Operation and Maintenance Service can be practically performed at Brooks Hall, Civic Auditorium and Moscone Center by private contractor for lower cost than similar work services performed by City and County employees. (Chief Administrative Officer)
- f. File 25-92-10. [Contracting Out City Services] Resolution concurring with the Controller's certification that janitorial services can be practically performed at the Office of the Controller at 160 South Van Ness Avenue by private contractor for lower cost than similar work services performed by City and County employees. (Controller)

ACTION:

#### REGULAR CALENDAR

- 2. File 133-92-1. [Grant - State Funds] Resolution authorizing Chief Administrative Officer of the City and County of San Francisco to accept and expend \$68,173 in funds from the California Integrated Waste Management Board (CIWMB) in the form of a discretionary grant to be used for the Household Hazardous Waste Management Program; waiving indirect costs. (Chief Administrative Officer)  
(Cont'd from 4/8/92)

ACTION:

- 3. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 4/8/92)

ACTION:

- 4. File 94-91-4.2 [Release of Funds] Requesting release of \$658,610 from budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds. (Supervisor Gonzalez)  
(Cont'd from 4/8/92)

ACTION:

- 5. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$97,258, for benefit payoff - miscellaneous (to back fill critical and mandated positions vacated because of early retirement). (Controller)  
(Cont'd from 4/8/92)

ACTION:



6. File 101-90-115.1. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, in an amount totalling \$560,000, for architectural services contract and art enrichment program for the Vallejo Street - Churchill Alley Garage (\$542,000 Tai Associates Architects for design services and \$18,000 for administrative costs and design development contract for the art enrichment program). (Department of Parking and Traffic)  
(Cont'd from 4/8/92)

ACTION:

7. File 61-92-1. [Contract Award Extension] Resolution approving extension of time for awarding San Francisco Municipal Railway Contract No. MR-1034R (procurement and installation of the Advanced Train Control System ["ATCS"]). (Public Utilities Commission)

ACTION:

8. File 84-92-1. [Acquisition of Property] Resolution authorizing acquisition of real property identified as City and County of San Francisco Assessor's Block 3612 Lot 4 (2460 Harrison Street, between 20th and 21st Streets) for Open Space purposes - \$400,000; and adopting findings pursuant to City Planning Code Section 101.1. (Recreation and Park Department)

ACTION:

9. File 170-92-3. [Bond Sale] Resolution authorizing and directing the sale of City and County of San Francisco \$6,100,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1989), Series 1992A, \$6,100,000 principal amount of General Obligation Bonds (Police Facilities Improvement Projects), Series 1992B, \$65,000,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1990), Series 1992C and \$84,500,000 principal amount of General Obligation Bonds (Library Facility Project), Series 1992D; prescribing the terms and form of said bonds; approving forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of notice of sale and notice of intention to sell bonds; approving the official statement relating thereto; consenting to submission of bids by co-financial advisors; and authorizing the execution of necessary documents. (Chief Administrative Officer)

ACTION:

10. File 101-90-124.1. [Release of Funds] Requesting release of reserved funds, Recreation and Park Department, in the amount of \$170,000, for construction of the Crocker Amazon Lighting Project (Edward W. Scott Electric, Inc.). (Recreation and Park Department)

ACTION:



11. File 101-91-38.1. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of \$219,542, for the New Main Library Exploratory Excavation. (Public Library)

ACTION:

12. File 100-91-1.24. [Release of Funds] Requesting release of reserved funds, Airports Commission, in an amount totalling \$466,180, for three MBE/WBE contracts (Airport Operating Fund (570416), \$81,180 Integrated Business Solutions and \$50,000 Law Enforcement Psychological Services, Inc.); and Legal Services Fund (574335) \$335,000, to Orrick, Herrington & Sutcliffe and Pam Jue, Attorney at Law. (Airports Commission)

ACTION:

13. File 127-92-2. [Stadium Operator Admission Tax] Ordinance amending Part III, San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the stadium operator admission tax by extending for one year through December 31, 1992 the exemption from the payment of admission taxes on tickets sold at \$12.99 or less. (Supervisor Gonzalez)

ACTION:

14. File 183-92-2. [UDAG Revolving Loan Fund (Withdrawal)] Resolution authorizing a withdrawal of funds from the UDAG Revolving Loan Fund in the amount of \$1.8 million and transfer into an Enterprise Zone Working Capital Loan Guarantee Program with participating banks and in accordance with eligible activities under Title I of the Housing and Community Development Act of 1974. (Supervisor Gonzalez)

ACTION:

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

35  
12  
CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 13, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst *Recommendations.*  
**SUBJECT:** April 15, 1992 Finance Committee Meeting

Item 1a - File 25-92-5

**Department:** Sheriff

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Pre-Trial Diversion Services

**Description:** The Controller has determined that contracting for these Pre-Trial Diversion services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$170,211	\$201,269
Fringe Benefits	45,001	51,446
Operating Expenses	<u>4,936</u>	<u>4,936</u>
Total	\$220,148	\$257,651
<u>Contracted Service Cost</u>	<u>151,739</u>	<u>151,739</u>
<u>Estimated Savings</u>	\$68,409	\$105,912

**Comments:**

1. Pre-Trial Diversion services were first certified as required by Charter Section 8.300-1 in 1977 and have continued to be provided by an outside contractor since then.

2. The current one-year contract, which expires June 30, 1992, is with the San Francisco Pre-Trial Diversion Project. The San Francisco Pre-Trial Diversion Project is a non-profit organization. The Contracted Service Cost used for the purpose of this analysis is an informal bid for fiscal year 1992-93 from the current contractor. The Sheriff's Office will continue to contract with the San Francisco Pre-Trial Diversion Project for these services in FY 1992-93.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:**

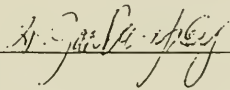
Approve the proposed resolution.

Charter 8.300-1 (Proposition J) Questionnaire

Department SHERIFF  
Contract Services PRE-TRIAL DIVERSION PROJECT  
Time Period JULY 1, 1992 THROUGH JUNE 30, 1993

- 1) Who performed services prior to contracting out?  
Pre-trial Diversion was funded through federal grant monies. Service workers performed the duties.
- 2) Number of City employees laid off as a result of contracting out?  
None.
- 3) Explain disposition of employees if they were laid off.  
Pre-trial Diversion workers have remained employed on this program.
- 4) What percent of City employee's time is spent on services to be contracted out?  
None.
- 5) How long have services been contracted out?  
Since 1977.
- 6) What was the first fiscal year for a Proposition J Certification?  
1977.
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

M B E / W B E is not affected; Pre-trial is a non-profit organization.

LIEUTENANT JAN DEMPSEY   
Department Representative

JAN DEMPSEY, LIEUTENANT-FINANCIAL SERVICES MANAGER  
(Type Name, Title)  
(415) 554-7225  
Telephone

cxlquespj



Item 1b - File 25-92-6

**Department:** Sheriff

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Food Service Management Operation at the County Jail Facilities

**Description:** The Controller has determined that contracting for these food services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$325,554	\$385,709
Fringe Benefits	<u>81,700</u>	<u>93,636</u>
Total	\$407,254	\$479,345
<u>Contracted Service Cost</u>	<u>323,196</u>	<u>323,196</u>
<u>Estimated Savings</u>	\$84,058	\$156,149

- Comments:**
1. Food services were first certified as required by Charter Section 8.300-1 in 1980 and have been continuously provided by an outside contractor since then.
  2. The current one-year contract extension, which expires June 30, 1993, is with Szabo Food Services. Szabo Food Services is not a MBE, WBE or LBE. The Contracted Service Cost used for the purpose of this analysis is the current contractor's estimate of food service supervision and administration costs for fiscal year 1992-93.
  3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

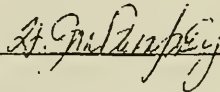


## Charter 8.300-1 (Proposition J) Questionnaire

Department SHERIFFContract Services SZABO FOOD SERVICETime Period JULY 1, 1992 THROUGH JUNE 30, 1993

- 1) Who performed services prior to contracting out?  
Food Service was provided by county cooks and chefs under the direction of a Food Administrator.
- 2) Number of City employees laid off as a result of contracting out?  
None - The Food Administrator position was eliminated prior to contracting out.
- 3) Explain disposition of employees if they were laid off.  
County chefs and cooks continue to prepare meals for jail staff and prisoners.
- 4) What percent of City employee's time is spent on services to be contracted out?  
Five chefs and one cook use 100% of their time preparing meals.
- 5) How long have services been contracted out?  
Since 1980.
- 6) What was the first fiscal year for a Proposition J Certification?  
1980 - 1981.
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
A waiver is in effect for this service. It is highly specialized and competitively bid contract.

LIEUTENANT JAN DEMPSEY  
Department Representative



JAN DEMPSEY, LIEUTENANT-FINANCIAL SERVICES MANAGER  
(Type Name, Title)  
(415) 554-7225  
Telephone

cxlquespj

Item 1c - File 25-92-7

**Department:** Sheriff

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** San Francisco Release on Own Recognizance (O.R.) Bail Project Services

**Description:** The Controller has determined that contracting for these O.R. Bail Project services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$678,287	\$802,685
Employee Benefits	<u>173,653</u>	<u>198,530</u>
Total	\$851,940	\$1,001,215
 <u>Contracted Service Cost</u>	 <u>695,831</u>	 <u>695,831</u>
 <u>Estimated Savings</u>	 \$156,109	 \$305,384

**Comments:** 1. O.R. Bail Project services were first certified as required by Charter Section 8.300-1 in 1977 and have been provided by an outside contractor since then.

2. The current three-year contract, which expires June 30, 1992, is with San Francisco Institute for Criminal Justice. San Francisco Institute for Criminal Justice is a non-profit organization. The Contracted Service Cost used for the purpose of this analysis is the current contractor's estimate of O.R. Bail Project services for fiscal year 1992-93. The Sheriff's Office will renew its contract with the San Francisco Institute for Criminal Justice for these services in 1992-93.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## Charter 8.300-1 (Proposition J) Questionnaire

Department SHERIFFContract Services SAN FRANCISCO "OR" BAIL PROJECTTime Period JULY 1, 1992 THROUGH JUNE 30, 1993

1) Who performed services prior to contracting out?

Service was not provided.

2) Number of City employees laid off as a result of contracting out?

None.

3) Explain disposition of employees if they were laid off.

None laid off.

4) What percent of City employee's time is spent on services to be contracted out?

0

5) How long have services been contracted out?

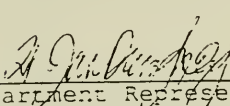
Since project began in 1966.

6) What was the first fiscal year for a Proposition J Certification?

1977.

7) How will contract services meet the goals of your MBE/WBE Action Plan?

San Francisco "O.R." Bail Project is a non-profit organization.

  
Department RepresentativeLIEUTENANT JAN DEMPSEY, FINANCIAL SERVICES MANAGER

(Type Name, Title)

(415) 554-7225

Telephone

cxlquespj

Item 1d - File 25-92-8

**Department:** Sheriff

**Proposed Action:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Eviction Assistance Program

**Description:** The Controller has determined that contracting for these Eviction Assistance services in fiscal year 1992-93 would result in estimated savings as follows:

City Operated Service Costs

Salaries	\$44,770
Fringe Benefits	<u>12,921</u>
Total	\$57,691*

<u>Contracted Service Cost</u>	<u>32,000</u>
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<u>Estimated Savings</u>	\$25,691
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\*Personnel costs are calculated on the basis of three staff persons working 25 hours per week each.

- Comments:**
1. Eviction Assistance services were first certified as required by Charter Section 8.300-1 in 1984 and have continued to be provided by an outside contractor since then.
  2. The current one-year contract, which expires June 30, 1992, is with the Salvation Army. The Salvation Army is a non-profit organization. The Contracted Service Cost used for the purpose of this analysis is based on the current contractor's estimate of Eviction Assistance services and costs that will be required in fiscal year 1992-93. The Sheriff's Office will renew its contract with the Salvation Army for these services in FY 1992-93.
  3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## Charter 8.300-1 (Proposition J) Questionnaire

Department SHERIFFContract Services SALVATION ARMYTime Period JULY 1, 1992 THROUGH JUNE 30, 1993

- 1) Who performed services prior to contracting out?  
The Eviction Assistance program used volunteer workers; funding was federally based.
- 2) Number of City employees laid off as a result of contracting out?  
None.
- 3) Explain disposition of employees if they were laid off.  
Community services workers (3) are currently working on the program.
- 4) What percent of City employee's time is spent on services to be contracted out?  
1 - 8308 Sergeant oversees program - 100%  
1 - 8420 Services Counselor assists in overseeing program - 100%
- 5) How long have services been contracted out?  
Since 1984.
- 6) What was the first fiscal year for a Proposition J Certification?  
1983 - 1984.
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
M B E / W B E is not affected; Salvation Army administers the program as a non-profit organization.

LIEUTENANT JAN DEMPSEY

Department Representative

JAN DEMPSEY, LIEUTENANT-FINANCIAL SERVICES MANAGER

(Type Name, Title)

(415) 554-7225

Telephone

cxlquespj

Item 1e - File 25-92-9

**Department:** Chief Administrative Officer

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Convention Facilities Management for Brooks Hall, Civic Auditorium and Moscone Center.

**Description:** The Controller has determined that contracting for these Convention Facilities Management services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operating Service Costs</u>		
Salaries and Fringe Benefits	\$6,517,377	\$7,476,096
Employee Benefits	<u>1,659,753</u>	<u>1,846,455</u>
Total	\$8,177,130	\$9,322,551
<u>Contracted Service Cost</u>	<u>6,763,787</u>	<u>6,763,787</u>
<u>Estimated Savings</u>	\$1,413,343	\$2,558,764

**Comments**

1. The City directly pays for some operating costs, including insurance, utilities and services of other departments that must be paid by the City whether the services are contracted out or performed by City employees. These costs are not included in the contracted service cost of \$6,763,787 which includes just the labor costs of performing the Convention Facilities Management services.
2. Convention Facilities Management services were first certified as required by Charter Section 8.300-1 in 1981 and have been provided by an outside contractor since then.



3. The current contract for convention facilities management is with Facilities Management, Inc., which has a five-year contract through June 30, 1995. Facilities Management Inc. is not an MBE, WBE or LBE. The contractual service cost used for the purpose of this analysis is the proposed second year cost of this contract for July 1, 1992 through June 30, 1993.

**Recommendation:** Approve the proposed resolution.

CHARTER 8,300-1 (PROPOSITION J) QUESTIONNAIRE

Department: Convention Facilities For Time Period: July 1, 1992 thru  
June 30, 1993

Contract Services: Convention Facilities

- 1) Who performed services prior to contracting out?  
Convention Facilities Employees
- 2) Number of City employees laid off as a result of contracting out?  
o
- 3) Explain disposition of employees if they were not laid off.  
Employees elected to work for the vendor
- 4) What percentage of a City employee's time is spent on services to be contracted out?  
o
- 5) How long have the services been contracted out?  
11 years
- 6) What was the first fiscal year for a Proposition J Certification?  
81-82
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

The Department will meet the goals of the City MBE/WBE Ordinance. In addition, the contractor has a separate agreement with HRC in regards to MBE/WBE and Affirmative Action. The Contractor files regular compliance reports with HRC.

Jack Moerschbaeher  
Department Representative

Telephone: 554-6178



Item 1f - File 25-92-10

**Department:** Office of the Controller

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Janitorial Services at 160 South Van Ness (Payroll Division)

**Description:** The Controller has determined that contracting for these janitorial services in fiscal year 1992-93 would result in estimated savings as follows:

City Operated Service Costs

Personnel	\$30,243 *
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<u>Contracted Service Cost</u>	<u>13,560</u>
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<u>Estimated Savings</u>	<u>\$16,683</u>
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\*Personnel costs are calculated on the basis of one Department of Public works staff person working 20 hours per week plus materials and supplies.

**Comments**

1. Janitorial services were first certified as required by Charter Section 8.300-1 in 1981 and have been provided by an outside contractor since then.
2. The current contract, which expires June 30, 1993, is with Kleen Rite. Kleen Rite is not a MBE, WBE or LBE. The Contracted Service Cost used for the purpose of this analysis was an informal bid from the current contractor.
3. The Controller's supplemental questionnaire with the Department's responses, including MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

## Charter 8.300-1 (Proposition J) Questionnaire

Department : Controller's Payroll/Personnel Services Division

Contract Services: Janitorial Services

Time Period July 1, 1992 through June 30, 1993

1) Who performed services prior to contracting out?

*Services have always been contracted out.*

2) Number of City employees laid off as a result of contracting out?

*None*

3) Explain disposition of employees if they were laid off.

*Not applicable*

4) What percent of City employee's time is spent on services to be contracted out?

*0.2%*

5) How long have services been contracted out?

*Nine (9) years contractual services since Sept., 1983.*

6) What was the first fiscal year for a Proposition J Certification?

*Fiscal Year 1983-84*

7) How will contract services meet the goals of your MBE/WBE Action Plan?

These contract services would have no impact on the Controller's MBE/WBE action plan because the Contractor is not a City-certified or registered MBE or WBE.

Howie Bogard  
Department Representative

HOWIE BOGARD, PAYROLL MANAGER  
(Type Name, Title)

558-7864  
Telephone

Memo to Finance Committee

April 15, 1992

Item 2 - File 133-92-1

**Note:** This item was continued by the Finance Committee at its meeting of April 8, 1992.

**Department:** Chief Administrative Officer (CAO)  
Solid Waste Management Program

**Item:** Resolution authorizing the CAO to accept and expend a new State grant in the form of a discretionary grant to be used for the Household Hazardous Waste Management Program; waiving indirect costs.

**Grant Amount:** \$68,173

**Grant Period:** Approximately May 1, 1991 through April 30, 1992 (See Comment #2)

**Source of Funds:** California Integrated Waste Management Board (CIWMB)

**Project:** Household Hazardous Waste Collection Program

**Description:** The Board of Supervisors previously approved a resolution (File 133-91-4) which authorized the CAO's Office to apply for the proposed grant funds. The Household Hazardous Waste Collection Program, a facility located at the dump off Bayshore Highway, is a joint effort between the CAO's Office and the Sanitary Fill Company that allows residents to properly dispose of their household hazardous waste (paint, motor oil, and pesticides.) The facility has been in operation for three and a half years. Grants are awarded by the State to those counties that have implemented household waste collection programs.

**Required Match:** None.

**Indirect Costs:** None. The CIWMB does not allow the use of grant funds for indirect costs. Therefore, the proposed resolution would authorize the waiving of indirect costs.

**Comments:** 1. The CAO's Solid Waste Management Program reports that the funds would be used as follows:

Contractual Services

Public Education Services provided by  
Maureen O'Rourke

\$68,173

Total Budget

\$68,173

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



2. As noted above, the proposed grant period began on May 1, 1991. Ms. Maria Trapalis-Baird of the Solid Waste Management Program of the CAO's Office reports that the CIWMB grant program provides reimbursement for various aspects of the Household Hazardous Waste Collection Program. Therefore, Ms. Trapalis-Baird indicates that the proposed grant funds of \$68,173 would reimburse the Solid Waste Management Program's FY 1991-92 budget. The proposed resolution should be amended to authorize the CAO to accept and expend a new State grant retroactively, since these costs have already been incurred.

3. Also as noted above, all of the proposed grant funds would be used for consultant services to be provided by Ms. Maureen O'Rourke. Ms. Trapalis-Baird reports that Ms. O'Rourke also provides consultant services for other public outreach programs for the Solid Waste Management Program, and the proposed grant funds would be awarded as a lump sum amount, by amending Ms. O'Rourke's existing contract. As noted above, these funds would be provided to Ms. O'Rourke for services provided from approximately May 1, 1992 through April 30, 1993. Ms. Trapalis-Baird indicates that Ms. O'Rourke was selected through a Request for Proposal (RFP) process. Ms. O'Rourke is a City-certified WBE firm.

4. The public outreach services to be provided by Ms. O'Rourke include design and development of bus and transit shelter signs (\$10,000), development of a household hazardous waste guide (\$10,500), development of a non-toxic alternative shopping booklet (\$6,000), development of a needle disposal program between pharmacies and diabetes patients (\$15,000), a newsletter to small businesses (\$8,000), a point of purchase program at supermarkets (\$6,000), a service station hazardous waste checklist (\$10,000), and a print media campaign (\$2,673).

5. The CAO's Office has completed a Disability Access Checklist which is in the file.

6. Attached is the "Summary of Grant Request."

**Recommendations:** 1. Amend the proposed resolution to authorize the CAO to accept and expend a new State grant retroactively, since these costs have already been incurred.

2. Approve the proposed resolution as amended.

Grantor CA Integrated Waste Management Division CAO  
Contact Person Board Section Solid Waste Management  
Address \_\_\_\_\_ Contact Person Maria Trapalis-Baird  
\_\_\_\_\_ Telephone 554-3400  
Amount Requested \$ 68,173 Application Deadline Sept. 27, 1991  
Term: From 5/1/92 To 4/30/93 Notification Expected \_\_\_\_\_  
Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
Full Board \_\_\_\_\_

1. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
(Circle appropriate words) grant in the amount of \$68,173 from the period of 5/1/91 to 4/30/92.  
to provide Public Education services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

Summary: (Context/history; need addressed; number & groups served; services and providers)  
The proposed grant funds would be used to establish a Public Education Program for the Household Hazardous Waste Management Program.

### III. Outcomes/Objectives:

I. Outcomes/Objectives:  
Increased usage of household hazardous waste disposal

#### IV. Effects of Reduction or Termination of These Funds:

No public education program

#### V. Financial Information:

	<u>Col. A</u>	<u>Col. B</u>	<u>Col. C</u>	<u>Col. D</u>	<u>Req. Match</u>	<u>Approved by</u>
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount			\$68,173	0		
Personnel						
Equipment						
*Contract Svc.			\$68,173			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs			0			

## VI. Data Processing

(costs included above)

## VII. Personnel

F/T CSC					
P/T CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, how?

\*VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)



Item 3 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 8, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted had recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the recent \$139.2 to \$148.2 million shortfall projected, the Mayor's Office has now requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office has requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction. According to Ms. Serata, the various City departments are currently working on these additional reductions, and all such changes must be approved by each of the City commissions.

According to Ms. Serata, in addition to expenditure reductions, departments are being encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

The Mayor's Office has outlined the following anticipated budget schedule. The Mayor's budget staff are presently working with each department and anticipate receiving the final revised proposed budgets from the various departments and commissions during the next couple of weeks. As has been done in past years, Ms. Serata anticipates submitting the proposed departmental budgets to the Controller's Office by May 15, for reconciliation of individual department's numbers and the overall budget. According to Ms. Serata, a draft final budget would then be submitted to the printer on approximately May 22 and initial copies of the Mayor's 1992-93 budget should be available by approximately May 27. As has been the practice in prior years, the Mayor's Office could provide a confidential copy of the Mayor's budget to the Budget Analyst's Office once copies were available from the printer, although complete budget information, including necessary detail and back-up materials would not be available until June 1, 1992.

The Finance Committee inquired on April 8, 1992 regarding the ability of the Board of Supervisors to receive the 1992-93 budget prior to the June 1, 1992 deadline as required by the Charter, or if that is not possible, to receive preliminary budget data or alternative budgetary scenarios prior to the June 1, 1992 deadline. As of the writing of this report, the Mayor's budget staff had not responded to this inquiry.



Item 4 - File 94-91-4.2

**Note:** This item was continued by the Finance Committee at its meeting of April 8, 1992.

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Request for release of budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds, including \$526,528 in Federal funds and \$131,632 in local matching funds.

**Amount:** \$658,610 (See Comment #1)

<b>Source of Funds:</b>	Urban Mass Transit Administration (UMTA) Section 9 Capital Assistance	\$526,528
	Local Match	<u>131,632</u>
	Total	\$658,160

**Description:** The Board of Supervisors previously approved a resolution (File 94-91-4) which authorized the Public Utilities Commission (PUC) to apply for, accept and expend \$13,815,120 in Federal Urban Mass Transit Administration (UMTA) Section 9 formula assistance funds, and apply for, accept and expend \$3,453,780 in local matching funds for a total of \$17,268,900. Of the \$17,268,900 in capital project funds available, a total of \$14,093,750 was reserved (\$11,275,000 of Federal funds and \$2,818,750 of local funds), pending the selection of the contractors, budgets for the contractors and the contractors' MBE/WBE/LBE status.

Included in the total reserved funds of \$14,093,750 was \$658,160 which was reserved for a Presidents' Conference Committee (PCC) Streetcar Restoration capital project. If the reserved funds of \$658,160 (\$526,528 of Federal funds and \$131,632 of local funds) are released, a balance of \$13,435,590 would be left on reserve.

The source of funds for the matching funds, including the \$131,632 under this request for the release of the reserved funds of \$658,160, would be the following:

State Guideway Grant Funds (1991-92)	\$ 65,816
San Francisco Municipal Railway Improvement Corporation (SFMRIC) funds	<u>65,816</u>
Total match:	\$131,632

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



The reserved funds would be used for a streetcar refurbishment contract, existing in-house MUNI project staff, and other direct costs, such as materials and supplies relating to the renovation of a total of 10 PCC streetcars. These streetcars would be used for the proposed new MUNI F-Market-Embarcadero line. Specifically the proposed budget breakdown for the use of reserved funds is as follows:

Contractual Services

Morrison-Knudsen	\$505,646
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MUNI Project Engineering

Senior Project Engineer (approximately 0.75 FTEs), including overhead and fringe benefits	125,000
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Other Direct Costs

Materials and Supplies	<u>27,514</u>
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Total	\$658,160
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**Comments:**

1. As noted above, funds in the amount of \$658,160 were originally place on reserve, although the request is for \$658,610. Therefore, the amount of the request for release of reserved funds should be reduced to \$658,160 to reflect the amount originally placed on reserve.

2. Ms. Gail Bloom of the PUC reports that a RFP was issued for the streetcar refurbishment contract. The contract for the actual refurbishment of the 10 PCC streetcars was awarded to Morrison-Knudsen, which is located in Boise, Idaho. Morrison-Knudsen is neither a LBE, MBE or WBE firm. The above-listed contract amount of \$505,646, which would be funded with the proposed reserved funds includes materials and labor costs (approximately \$52.50 hourly rate, including overhead).

3. The \$125,000 budgeted for MUNI Project Engineering would be used for 0.75 FTE Senior Project Engineers, at an annual salary of approximately \$83,000, including overhead and fringe benefits for a two-year period. These positions are existing staff within the PUC funded through various Federal and State grants.

4. Ms. Bloom indicates that the proposed streetcar refurbishment project would be completed by approximately April, 1994.

Memo to Finance Committee  
April 15, 1992

- Recommendations:**
1. Reduce the request for release of reserved funds from \$658,610 to \$658,160.
  2. Release the reserved funds in the amount of \$658,160.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 5 - File 101-91-55.1

**Note:** This item was continued by the Finance Committee at its meeting of April 8, 1992.

**Department:** Controller

**Item:** Requesting release of \$97,258 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:** 1. On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program (Proposition A), to a reserve account to finance the lump sum sick leave and vacation payments.

2. Some of the positions vacated as a result of Proposition A, such as department head positions and other critical positions, are mandated by the Charter. Other positions, although not mandated are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or critical position, that position can be backfilled, if approved by the Proposition A Committee. The committee consists of the Mayor, General Manager, Personnel, and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council, who serve as advisory members.

3. On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19 and March 20, 1992, and as a result of its departmental hearings process, recommended that \$1,867,425 for backfilling 199\* General Fund positions be released from reserve. The Finance Committee approved the release of funding in the recommended amount at its meeting of March 25, 1992.

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\* 200 were recommended for release for backfill but one of these positions did not take early retirement.

4. The Proposition A Committee reconvened its hearings on March 26, 1992, and subsequently requested that \$879,322 of the remaining \$1,132,575 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 169 General Fund positions. The Finance Committee approved the release of funding in the recommended amount at its meeting of April 1, 1992.

5. The Proposition A Committee reconvened its hearings on April 2, 1992, and subsequently requested that \$155,993 of the remaining \$253,253 from the original \$3,000,000 supplemental appropriation be released for funding the backfill of 61 General Fund positions (one Proposition A retiree was restored to his position, making the actual figure 60). The Finance Committee approved the release of funding in the recommended amount at its meeting of April 8, 1992. Therefore a balance of \$97,260 remains from the original appropriated \$3,000,000.

6. The Proposition A Committee reconvened on April 9, 1992, with a representative of the Budget Analyst's Office in attendance. Although originally this item was a request of release of \$97,260, the Proposition A Committee, following the direction of the Finance Committee, is not recommending that funds from the remaining \$97,260 of the original \$3,000,000 supplemental appropriation be released from reserve. Instead, the Proposition A Committee indicated to the Finance Committee on April 8, 1992 that the Proposition A Committee would begin to identify the minimum of 500 General Fund positions to be eliminated, prior to requesting the release of additional reserved funds for backfilling vacated positions. Attached is the most recent "Summary of Proposition A Review Committee Action by Department" Report issued by the Proposition A Committee, dated April 13, 1992. The Attachment identifies the total number of persons retiring from each City department as of April 9, 1992, those 251 positions that are non-General Fund and mandated, and the positions previously approved by the Finance Committee for backfilling. Also shown in the Attachment is the overall percentage of positions recommended to be backfilled for each department and the number of positions remaining.

**Comments:**

1. Thus far in the Committee's selection process, a total of 428 General Fund positions have been selected for backfill out of 1,107 identified General Fund positions which have accepted early retirement. Presently, the remaining number of positions not recommended for backfill is 679.

2. The Finance Committee has thus far released backfill funding in the amount of \$2,902,740 from the \$3,000,000 supplemental appropriation, as follows:

	<u>Amount</u>	<u>Number of Positions</u>
Released by the Finance Committee on 3/25/92	\$1,867,425	199
Released by the Finance Committee on 4/1/92	879,322	169
Released by the Finance Committee on 4/8/92	<u>155,993</u>	<u>60</u>
Total	\$2,902,740	428

Therefore, as previously noted, a balance of \$97,260 remains. In addition to the \$2,902,740 already released from reserve, additional funds actually and potentially available to the Health Department, the Municipal Railway, the Recorder's Office and the Public Administrator's Office will be used for funding positions previously approved for backfilling by the Finance Committee. These positions were included with \$1 of funding of the original \$3,000,000 appropriation.

3. The Proposition A Committee appears to be oriented to recommending to the Mayor a total of 500 General Fund positions, the minimum permissible under Proposition A, to be eliminated from the City's FY 1991-92 and FY 1992-93 budgets. As previously stated, a total of 679 General Fund positions for which authority to backfill has not been provided, remains. Elimination of each position through the Proposition A process saves approximately \$50,000, including fringe benefits, in General Fund expenditures, on the average. Should, for example, 600 rather than 500 General Fund positions be eliminated through the Proposition A process, an additional approximately \$5,000,000, annually, in General Fund savings would result.

4. The next meeting of the Proposition A Committee is scheduled for April 16, 1992.



Memo to Finance Committee  
April 15, 1992

**Recommendation:** Continue the item to the April 22, 1992, meeting of the Finance Committee.

**SUMMARY OF PROPOSITION A REVIEW COMMITTEE ACTION BY DEPARTMENT**  
 (reflects Committee action through 4/9/92 & based on retirements thru 3/31/92)

DEPARTMENT	TOTAL RETIREEES	NON GEN'L FUND & MANDATED	POSITIONS BACKFILLED 3/25/92	POSITIONS BACKFILLED 4/1/92	POSITIONS BACKFILLED 4/8/92	% OF POSITIONS BACKFILLED TO TOTAL RETIREEES	REMAINING POSITIONS
BOARD OF SUPERVISORS	2	0	0	0	0	0%	2
ASSESSOR	10	0	2	0	0	20%	8
CITY ATTORNEY	9	1	0	3	0	44%	5
DISTRICT ATTORNEY	10	4	0	0	0	40%	6
PUBLIC DEFENDER	1	0	0	0	0	0%	1
SHERIFF	1	0	0	0	0	0%	1
TREASURER-TAX C.	16	0	1	3	0	25%	12
CONTROLLER	45	0	0	8	0	18%	37
JUVENILE PROBATION	14	0	0	3	0	21%	11
ADULT PROBATION	9	0	0	0	2	22%	7
MAYOR	3	0	1	0	0	33%	2
COMMISSION ON AGING	4	4	0	0	0	100%	0
AIRPORT	70	70	0	0	0	100%	0
CITY PLANNING*	5	0	1	1	0	40%	3
CIVIL SERVICE	6	0	1	1	0	33%	4
FIRE DEPARTMENT	3	0	0	1	0	33%	2
HETCH HETCHY PROJECT	21	21	0	0	0	100%	0
HEALTH SERVICE SYSTE	2	0	2	0	0	100%	0
HUMAN RIGHTS CO	2	0	0	0	0	0%	2
MUNICIPAL RAILWAY	233	0	55	38	15	46%	125
PARKING & TRAFFIC CO	19	7	1	0	0	42%	11
POLICE COMMISSION	22	0	0	5	0	23%	17
PORT	11	11	0	0	0	100%	0
PUBLIC UTILITIES CO	41	16	0	1	0	41%	24
PUBLIC LIBRARY	33	0	12	0	0	36%	21
RECREATION & PARK	81	13	10	0	1	30%	57
RETIREMENT SYSTEM	4	0	1	0	0	25%	3
SOCIAL SERVICES	113	0	25	4	1	27%	83
WAR MEMORIAL	5	5	0	0	0	100%	0
WATER DEPARTMENT	30	30	0	0	0	100%	0
CO ON THE STATUS OF WOMEN**	0	0	0	0	0	0%	0
PUC LIGHT HEAT & POWE	1	0	1	0	0	100%	0
FINE ARTS MUSEUMS	7	0	0	0	0	0%	7
ASIAN ART MUSEUM	1	0	0	1	0	100%	0
CAO	1	1	0	0	0	100%	0
REAL ESTATE	4	0	0	1	0	25%	3
COUNTY AGRICULTURE-	1	0	1	0	0	100%	0
CORONER***	0	0	0	0	0	0%	0
ELECTRICITY	10	0	2	1	0	30%	7
RECORDER	1	0	0	0	1	100%	0
PUBLIC ADMINISTRATOR	1	0	0	0	1	100%	0
PUBLIC HEALTH-C. OFFIC	55	0	8	12	18	69%	17
LAGUNA HONDA	102	0	25	38	0	62%	39
SF GENERAL HOSPITAL	149	0	29	44	1	50%	75
COMM. MENTAL HEALTH	37	0	13	2	10	68%	12
PUBLIC WORKS	143	67	7	0	10	59%	59
PURCHASER	19	0	1	2	0	16%	16
CONVENTION FACILITIES	1	1	0	0	0	100%	0
TAL:	1358	251	199	169	60	46%	679

\* The Proposition A Review Committee recommended an immediate backfill of the Deputy Director of Planning on 4/2/92 which was backfilled by the Finance Committee on 4/8/92. The employee has since rescinded his retirement.

A Commissioner at the Commission on the Status of Women appears on the list of early retirees when the person is actually retiring from the School District.

The Proposition A Review Committee recommended an immediate backfill for the Coroner's Office on 3/19/92. The employee has since rescinded his retirement.



Memo to Finance Committee  
April 15, 1992

Item 6 - File 101-90-115.1

**Note:** This item was continued from the Finance Committee meeting on April 8, 1992.

**Department:** Department of Parking and Traffic (DPT),  
Parking Authority

**Item:** Release of Reserved Funds for architectural services contract and art enrichment program for the Vallejo Street - Churchill Alley Garage

**Amount:** \$560,000

**Source of Funds:** Off-Street Parking Fund

**Description:** The Board of Supervisors previously approved a supplemental appropriation request for the DPT in the amount of \$600,000 for architectural and engineering services for the planned Vallejo Street/Churchill Alley Garage (File 101-90-115). At the same time, the Board of Supervisors placed the entire \$600,000 on reserve pending the DPT providing finalized cost details for the architectural and engineering services. The DPT had previously reported that Tai Associates Architects, a certified MBE firm, had been awarded a contract by the DPT to provide the necessary architectural and engineering services. However, the DPT had not had the opportunity to complete the contract negotiations with Tai Associates and as such DPT could not, at that time, provide final cost details for the contract.

The DPT now reports that the Department has negotiated the following fees and allowances under the contract with Tai Associates in an amount not to exceed \$702,000, as follows:

Basic Consultant Services	\$580,000
Additional Services Allowance*	60,000
Additional Meeting Allowance**	30,000
Reimbursable Expenses Allowance***	32,000
Total	\$702,000

- \* The Additional Services Allowance includes monies for Tai Associates to hire consultants, which include a soils engineer (\$7,850), a surveyor (\$8,850) and a consultant for construction materials testing services (\$43,300). Mr. Philip Sowers of the Department of Public Works, Bureau of Architecture reports that the amounts estimated for the soils engineer and surveyor

are based on historical experience regarding the cost of such services, which are based on the type, location and size of the construction site. The estimated cost for the consultant for construction materials testing services, is based on historical experience for the cost of these services for buildings of similar size and complexity.

- \*\* The Additional Meeting Allowance would provide reimbursement to Tai Associates for meeting time associated with community meetings and with the Art Commission in connection with the art enrichment program.
- \*\*\* The Reimbursable Expenses Allowance would provide reimbursement for various costs such as printing costs for plans to be provided to the City and mileage costs that are directly related to the garage project.

Mr. Sowers reports that the contract with Tai Associates was negotiated on the basis of specific tasks to be performed and not on the number of hours to be provided at a given hourly rate. The estimated costs of the tasks performed are based on historical experience regarding the cost of design services for buildings of a similar type, size and complexity.

The DPT advises that the contract with Tai Associates provides for an initial contract payment award in the amount of \$542,000, which would provide funding for Tai Associates to complete their work through the bidding process and the award of the construction contract for this project. Such work would include developing the design plans and specifications for the building, preparing the construction documents, consulting with the prospective construction contractors on the design plans and specifications and making any necessary modifications on the design plans for purposes of clarification. After the construction contract has been awarded, Tai Associates would be responsible for administrative oversight of the project construction to ensure that the building is constructed according to the design plans and specifications. These administrative oversight services would be funded by the remaining \$160,000 balance of the total \$702,000 negotiated amount of the Tai Associates contract less the \$542,000 for the initial contract award. The initial contract award of \$542,000, is detailed below:

Preliminary Design	\$100,000
Design Development	110,000
Construction Documents	230,000
Bidding	25,000
Additional Services Allowance for Survey and Soils Testing	15,000
Additional Meeting Allowance	30,000
Reimbursable Expenses Allowance	<u>32,000</u>
Total Initial Contract Award	\$542,000

In addition to the \$542,000, required for the initial contract award payment to Tai Associates, the DPT is also requesting that \$18,000 of the \$600,000 be released for administrative costs, contingencies and the design development contract for the art enrichment program for the Garage, bringing the total amount requested to be released from reserve to \$560,000 (\$542,000 plus \$18,000), which would leave a balance on reserve of \$40,000. Mr. Hagerty advises that although the administrative costs and design development contract costs for the art enrichment program were not originally included in the \$600,000 supplemental request for architectural and engineering services, there is a need for the art enrichment program to be coordinated with the architectural services in order that the art work can be incorporated into the architectural design. Ms. Tonia Macneal of the Arts Commission reports that the \$18,000 proposed for the art enrichment program would be expended as follows:

Administrative Overhead	\$3,000
Artist Contract Services for design development	8,000
Contingency	<u>7,000</u>
Total	\$18,000

**Comments:**

1. Mr. Hagerty reports that after the payment of the initial contract award of \$542,000, the remaining \$160,000 balance of the total \$702,000 negotiated amount of the contract with Tai Associates, would be funded through a combination of the \$40,000 balance in reserved funds plus \$120,000 from the sale of lease/revenue bonds. Mr. Hagerty advises that the sale of lease/revenue bonds to pay for a portion of these costs is necessary because the DPT's original estimate of \$600,000 for architectural and engineering services for this project is \$102,000 less than the actual Tai Associates contract amount of \$702,000. According to Mr. Hagerty, there are no uncommitted funds available in the Off-Street Parking Fund, which currently totals approximately \$1.5 million, to cover these costs. Mr. Hagerty notes that the DPT's



underestimate of the overall cost of the construction of this project, including design costs, was due to unanticipated costs associated with the fact that the project site is located in a high density area which has resulted in unique constraints being placed on construction set-up and design.

2. Ms. Macneal advises that the entire budgeted amount for the art enrichment program is \$60,000 (\$42,000 for construction plus \$18,000 for administrative costs, contingencies and design development). The \$7,000 for contingencies represents 14 percent of the total \$50,000 for construction (\$42,000) and design development (\$8,000). The \$42,000 for construction costs for the art enrichment program will be funded, from DPT's sale of the above noted lease/revenue bonds.

3. Given that the DPT is requesting the release of \$18,000 for the art enrichment program which was not originally identified as a part of the \$600,000 placed on reserve, the Budget Analyst believes that the proposed release of these additional reserved funds is a policy matter for the Board of Supervisors.

**Recommendations:** 1. Approve the requested \$542,000 release of reserved funds.

2. Approval of the proposed release of reserved funds in the additional amount of \$18,000 for the art enrichment program, which was not originally placed on reserve is a policy matter for the Board of Supervisors.

Item 7 - File 61-92-1

- Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)
- Item:** Resolution granting extension of time for awarding Municipal Railway Contract No. MR 1034R, Procurement and Installation of an Advanced Train Control System (ATCS).
- Description:** On February 24, 1992, the MUNI received two bids for the procurement and installation of an Advanced Train Control System for the five-mile subway portion of the Muni Metro System.
- MUNI'S Technical Pre-Qualification Committee reviewed the two bids and found only one bidder, Alcatel Canada, Inc., in full compliance with MUNI's technical requirements for qualification and thus eligible to have its price bid opened. According to PUC Resolution No. 92-0097, dated March 24, 1992, Alcatel Canada's base price bid of \$33.9 million, opened on March 9, 1992, exceeds the consulting engineer's estimate of \$26 million for the contract, by an additional \$7.9 million.
- Because of the time required to perform a price analysis of the bid for Federal Transit Administration (formerly the Urban Mass Transportation Administration - UMTA) purposes, to seek additional funding sources, and to negotiate with the bidder, the PUC is projecting that it will be unable to award the contract within 60 days following the receipt of bids, pursuant to Section 6.1 of the Administrative Code. Therefore, the PUC requests that the contract award be extended an additional 60 days to allow the PUC additional time to award the contract.
- Comments:** 1. According to Ms. Gail Bloom of the PUC and Mr. Tom Sullivan of the MUNI, the ATCS will allow faster and more efficient turnbacks of MUNI Metro trains in the subway, thus increasing train throughput in the subway. (Ms. Bloom and Mr. Sullivan report that the ATCS will provide the equivalent capacity of two additional tracks in the subway.) The ATCS, employing on-board computer hardware and wayside monitoring, would provide continuous tracking of all vehicles and control their acceleration/deceleration, location, and speed. This would significantly improve both capacity and safety in the subway. MUNI is planning the replacement of the subway signal system by 1994, in advance of the completion of the MUNI Metro Turnback and the first delivery of a new generation of light rail vehicles (LRVs). Attachment I is a summary diagram of the ATCS.

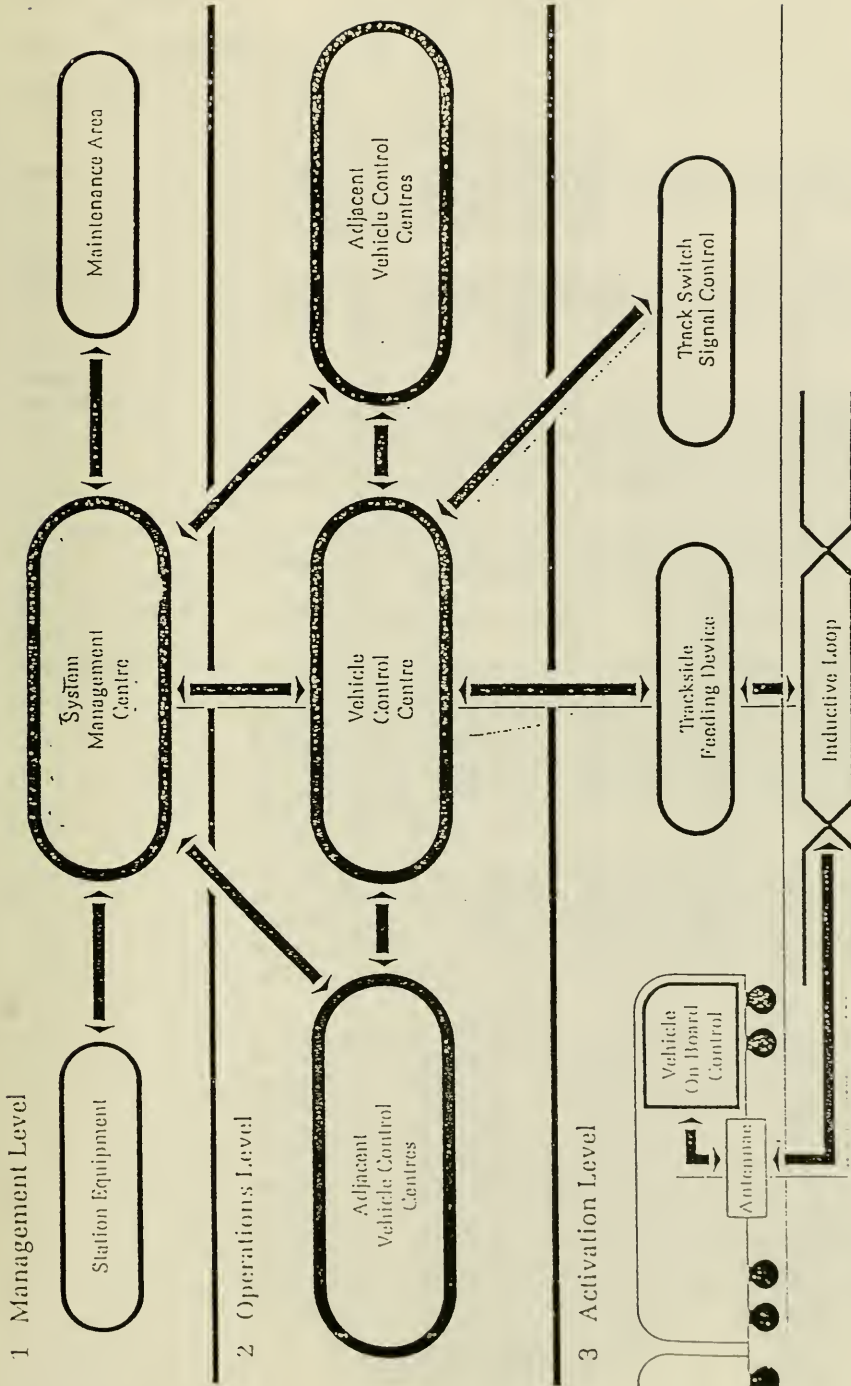
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. As previously stated, the bidder's price of \$33.9 million exceeds the PUC consulting engineer's estimate of \$26 million by \$7.9 million. The PUC is currently negotiating with the single bidder to reach a mutually acceptable contract price. The sources and amounts of funds currently available and prospectively available for the ATCS Project, according to the PUC, are shown in Attachment II.

3. Ms. Bloom reports that transferring Proposition 116 funds of \$6,247,362 (\$4,500,000 in FY 1992-93 and \$1,747,362 in FY 1993-94) to the ATCS Project, as shown in Attachment II, should such transfer be necessary, would not impact the budget or schedule of any other MUNI project.

4. The proposed resolution to extend the period for awarding Contract No. MR1034R for 60 days does not specify the date applicable to the end of that extension, which is July 7, 1992. Therefore, the proposed resolution should be amended to specify the date of July 7, 1992.

**Recommendation:** Amend the proposed resolution by amending page two, line two, to read "Contract No. MR 1034R to July 7, 1992, 120 days after receipt of bid."



# THE SELTRAC SYSTEM OF AUTOMATIC TRAIN CONTROL

SOURCE: STIP/TIP/STRP	OPERATOR: San Francisco Municipal Railway	ALLOCATION AWARD NO.	THRU 3RD QTR FY91-92	PENDING FY91-92	WORKSHEET	FILE NAME:	LAST REVISED:	08-Apr-92
LEAD AGENCY: San Francisco Public Utilities Commission	FILE: ATCS FINANCIAL PLAN							
PROJECT NAME AND FUND SOURCE					FY92-93	FY93-94	TOTAL	PERCENT CAPITAL TOTAL
SUBWAY SIGNAL SYSTEM REPLACEMENT								
FTA SECTION 3 -- RAIL MODERNIZATION	CA-03-0345		\$13,500,000	\$0	\$0	\$0	\$13,500,000	35.74%
STATE TRANSIT CAPITAL IMPROVEMENT	04F168-PT		\$2,250,000	\$0	\$0	\$0	\$2,250,000	5.96%
STATE RAIL BONDS -- PROP 108			\$0	\$2,940,000	\$0	\$0	\$2,940,000	7.78%
STATE RAIL BONDS -- PROP 116			\$0	\$0	\$4,500,000	\$0	\$4,500,000	11.91%
STATE RAIL BONDS -- PROP 116			\$0	\$0	\$0	\$1,747,362	\$1,747,362	4.63%
TRANSIT IMPACT DEVELOPMENT FEE -- CAPITAL	FY88-89		\$1,400,000	\$0	\$0	\$0	\$1,400,000	3.71%
TRANSIT IMPACT DEVELOPMENT FEE -- CAPITAL	FY90-91		\$2,250,000	\$0	\$0	\$0	\$2,250,000	5.96%
TRANSIT IMPACT DEVELOPMENT FEE -- CAPITAL	FY91-92		\$2,940,000	\$0	\$0	\$0	\$2,940,000	7.78%
TRANSPORTATION SALES TAX -- CAPITAL			\$0	\$0	\$4,500,000	\$0	\$4,500,000	11.91%
TRANSPORTATION SALES TAX -- CAPITAL			\$0	\$0	\$0	\$1,747,362	\$1,747,362	4.63%
TOTAL			\$22,340,000	\$2,940,000	\$9,000,000	\$3,494,724	\$37,774,724	100.00%



Item 8 - File 84-92-1

- Department:** Recreation and Park Department  
Real Estate Department
- Item:** Resolution authorizing the City's acquisition of real property for Open Space purposes and adopting findings pursuant to City Planning Code Section 101.1.
- Location:** San Francisco Assessor's Block 3612, Lot 4. The proposed parcels are located at 2460 Harrison Street in the Mission District between 20th Street and 21st Street.
- Property Description:** The proposed property is a vacant lot located immediately adjacent to the Mission Recreation Center, operated by the Recreation and Park Department. The proposed property is owned by Ms. Jean Jarkieh and Ms. Tanya Tarr.
- Amount:** The proposed property would be purchased for \$403,500, which includes escrow fees and title insurance.
- Funding Source:** Open Space Acquisition and Park Renovation Fund
- Comments:**
1. The Recreation and Park Commission has approved this acquisition for Open Space purposes and the funds are available from the Department's FY 1992-93 budget. Mr. Tim Lillyquist of the Recreation and Park Department reports that the property would be purchased entirely from monies currently available in the Open Space Acquisition and Park Renovation Fund.
  2. The Department of City Planning reports that the proposed acquisition of the property is in conformity with the Open Space Element of the City's Master Plan and is consistent with the eight priority policies of City Planning Code Section 101.1.
  3. The proposed property would be obtained for open space to complement the Mission Recreation Center. Mr. Lillyquist reports that there is currently no outdoor play area for the Mission Recreation Center, and therefore the proposed open space acquisition would be used for a playground. Mr. Lillyquist estimates that the cost to develop the playground would be approximately \$250,000 to be funded through existing Open Space Acquisition and Park Renovation Funds available. These development costs would be included as part of the annual Open Space Program budget submitted to the Board of Supervisors for approval. Mr. Lillyquist indicates that these development costs would be included as part of the



FY 1993-94 annual Open Space Program budget. In addition, Mr. Lillyquist reports that the playground would require minimal maintenance and landscaping, and these costs could be absorbed within the Department's existing budget.

4. Mr. Lloyd Gardner of the Real Estate Department reports that the purchase price of the property represents the fair market value. Mr. Gardner reports that although the appraised value of the property was approximately \$370,000, given that the proposed property greatly enhances the Mission Recreation Center, approximately \$400,000 was determined to be the fair market value of the property. The approximate \$400,000 fair market price of the property was estimated not including escrow fees and title insurance.

5. According to the Real Estate Department, the current total assessed valuation of the property to be acquired is \$58,404. Based on the 1991-92 fiscal year tax rate of \$1.121 per \$100 of assessed valuation, the taxes paid to the General Fund on the property was approximately \$655. Once the City purchases the property, such property taxes would no longer be paid to the City.

**Recommendation:** Approval of Open Space Acquisitions are policy matters for the Board of Supervisors.

Item 9 - File 170-92-3

The proposed resolution would authorize and direct the sale of General Obligation bonds, not to exceed an interest rate of 11 percent, consisting of \$6.1 million in Series 1992A for Public Safety Improvement Projects, 1989, \$6.1 million in Series 1992B for Police Facilities Improvement Projects, \$65.0 million in Series 1992C for Public Safety Improvement Projects, 1990, and \$84.5 million in Series 1992D for the Public Library Facility Project for a grand total of \$161.7 million. In addition, the proposed resolution would prescribe the terms and form of these bonds; approve and direct the official notice of sale and intention to sell these bonds, approve the official statements, consent to submission of bids by co-financial advisors and authorize the execution of the necessary bond documents.

Million

Series 1992A: Public Safety Improvement Bonds of 1989

\$6.1

In November of 1989, the electorate approved the issuance of \$59.7 million in General Obligation bonds to make seismic safety improvements to various City-owned buildings. Of the total \$59.7 million authorized, the City has previously issued \$27 million in General Obligation bonds. This third issuance would total \$6.1 million.

The proceeds from the sale of the proposed Series 1992A Bonds would be used primarily for seismic safety improvements, but also for the following purposes, where required, at Fire Stations number 36 and 40, Old Fire Station number 21, Pump Station number 1, and the California Academy of Sciences - Research Wing:

- Disabled access improvements
- Design, construction and construction management
- Asbestos abatement
- Certain costs related to the sale of the Series 1992A Bonds such as bond counsel and investment advisory services, printing, and other expenses.

Attachment I summarizes the proposed expenditures for this Bond issue.

Series 1992B: Police Facilities Improvement Projects

6.1

In November of 1987, the electorate approved \$28.0 million in General Obligation bonds to finance various improvements to San Francisco Police Department facilities. Of the \$28.0 million authorized, the City has previously issued \$21.9 million in General Obligation bonds. The proposed legislation would approve the issuance of the remaining \$6.1 million.

The proceeds from the sale of Series 1992B Bonds will be used to finance the design, construction, construction management, engineering, project management, permits and certain costs related to the sale of 1992 Bonds such as bond counsel and investment advisory services, printing, and other expenses, for the following Police Facility projects:

- Central Station
- Taraval Station Construction
- Mission Station
- Juvenile Bureau Project
- Park Station

Attachment II summarizes the proposed expenditures for this Bond issue.

Series 1992C: Public Safety Improvement Projects 1990

\$65.0

In June of 1990, a total of \$332.4 million in Public Safety Improvement Bonds was approved by the voters. Of the \$332.4 million authorized, the City has previously issued \$49.5 million in two bond issues. The proposed legislation authorizes the third issuance of \$65 million of these bonds. These bonds are for seismic safety, asbestos abatement, and disability access improvements to various City-owned buildings.

The proceeds from the sale of the Series 1992C Bonds will be used for the following purposes:

- 16 major seismic safety projects, including earthquake related repairs and improvements to City Hall, the Civic Auditorium, the Golden Gate Park Music Concourse and the San Bruno Jail.
- Funding for the Department of Public Works, including management, design and construction activities for the program.
- Certain costs related to the issuance of the Series 1992C Bonds such as bond counsel and investment advisory services, printing, and other expenses.

Attachment III summarizes the proposed expenditures for this Bond issue.

Series 1992D: Library Facilities Project

\$84.5

In November of 1988, the electorate approved the issuance of \$109.5 million in General Obligation bonds for Library Facilities Improvements, which is primarily for construction of the new Main Library. Of the \$109.5 million, the Board of Supervisors has authorized sales totalling \$25 million in bonds. The proposed legislation authorizes the issuance of the remaining \$84.5 million in bonds for the construction of the new Main Library.

Proceeds of the Series 1992D Bonds will be used for the following purposes related to the construction of a new Main Library.

- Construction management costs
- Construction contract
- Art enrichment program - Phase 2
- Excavation project
- Certain costs related to the issuance of the Series 1992D Bonds such as bond counsel and investment advisory services, printing, and other expenses.

Attachment IV summarizes the proposed expenditures for this Bond issue.

Total Proposed Bond Sale

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\$161.7

The proposed resolution would also provide for the following:

- Authorize publication of the official notice relating to the sale of the bonds. The sale is scheduled to be held on May 13, 1992.
- Specifying the form and terms of the issuance and authorizing the preparation of the bonds. All bonds to be sold will pay interest not to exceed 11 percent per year and will mature in the year 2012 (20 year terms). Interest will be paid semiannually beginning on December 15, 1992.
- Establishing Special Funds related to the bonds. Property taxes collected to pay off the bonds will be deposited in the Special Funds.
- Approving the official statement relating to the bonds. Copies of the official statement containing the particulars of the bond sale, including a statement of the financial condition of the City, will be available to all bidders.

- Consenting to the submission of bids by the financial consultants and authorizing official action.
- Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City. Such award must be approved by the Board of Supervisors.
- Providing that the City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest payments.

### Comments

1. Approval of this resolution would permit the sale of the bonds and the depositing of the bond proceeds in the designated Special Funds. However, all future appropriations of these Bond Fund monies would be subject to separate approval by the Mayor and the Board of Supervisors through Supplemental Appropriation Ordinances.

2. The proposed resolution states that the bonds will not exceed a maximum annual interest rate of 11 percent. However, Ms. Laura Wagner-Lockwood of the CAO's Office reports that if the bonds were sold today, the bonds would probably be sold at an overall interest rate of between 6.5 percent and 7.0 percent.

3. Ms. Wagner-Lockwood estimates that on a 20-year basis, and assuming an interest rate of approximately 7.00 percent, which is the current prevailing rate, the proposed \$161.7 million bond sale would result in a total bond interest cost of approximately \$121.9 million and a total debt service requirement of approximately \$283.6 million. Over the 20-year period, this would result in an average debt service of approximately \$14.2 million per year. According to Ms. Wagner-Lockwood, for the first year of the 20-year term of the bonds, an interest rate of approximately 7.00 percent would result in a debt service cost of approximately \$15.8 million, or an approximately \$.03 per \$100 assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$265,000, would pay approximately \$77.40 in additional property taxes due to this bond issue. The property tax rate would gradually decline as the bonds are retired over the 20 year period.

4 The City's general obligation bonding capacity, which is equal to three percent of the City's total assessed property value, is approximately \$1.6 billion. Ms. Wagner-Lockwood advises that the City's present amount of General Obligation bonds outstanding is \$352 million. Therefore, the net available bonding capacity is approximately \$1.25 billion. The proposed sale of \$161.7 million of General Obligation bonds would reduce the City's bonding capacity to approximately \$1.09 billion.



5. Included in Series 1992C, Public Safety Improvement Projects 1990, is the sum of \$6,140,000 for seismic strengthening, and related improvements made necessary by the seismic strengthening, of the San Bruno Men's Jail Facility. According to Mr. Tony Irons of the Department of Public Works (DPW), DPW has prepared a bond report proposal to build replacement housing for the San Bruno Men's Jail Facility. The bond proposed is being developed at the request of the Sheriff's Department for consideration by the CAO and the Board of Supervisors in anticipation of placing the bond proposal on the November 1992 general election ballot. The estimated costs of the replacement facility and other improvements at the San Bruno site is as follows:

- Replacement Housing	\$111,024,000
- Services and Administration Building	32,631,000
- Other related improvements (Training Range)	<u>14,445,000</u>
Total	\$158,100,000

Mr. Tony Irons of DPW's Bureau of Architecture reports that if a proposition to construct a new San Bruno Men's Jail Facility is placed on the November 1992 ballot and the proposition is approved by the electorate, new replacement housing at the San Bruno facility could be available in 1997. If a new San Bruno Jail is approved, the existing San Bruno facility would be demolished.

6. Mr. Irons further reports that the existing housing at the San Bruno Men's Jail Facility does not meet the seismic requirements of San Francisco Building Code, but that the Building Code does not require seismic upgrading of the Facility in the absence of a major alteration.

7. Mr. Irons further reports that the Bureau of Architecture currently has a structural engineering firm, SOH&A, Inc., under contract and performing a seismic evaluation and study of the San Bruno Men's Jail Facility for the purpose of determining a cost effective seismic upgrade plan. Mr. Irons reports that the seismic evaluation and study is to be completed by the end of May 1992.

8. Mr. Dennis Aftergut, Chief Assistant City Attorney, reports that Proposition A of the November 1990 election which resulted in approval of \$332.4 million in Public Safety Improvement Bonds, does not require specific improvements to specific buildings. Mr. Aftergut further reports that the consent decree regarding the San Bruno Men's Jail Facility does not require seismic upgrading.

9. As previously noted, this legislation does not permit any bond fund expenditures. Any such expenditures must be subsequently appropriated by the Board of Supervisors.

10. Bonds represented in the Bond Sale Summaries shown in Attachments I, II, and III, were previously planned for sale in March, January, and February of 1992, respectively, and reflect those months on the Summaries. However, the sale of these bonds is now planned for May of 1992.



Memo to Finance Committee  
April 15, 1992

**Recommendations**

1. Approve the proposed resolution authorizing and directing the sale of \$155,560,000 of General Obligation bonds (\$161,700,000 requested less \$6,140,000 for San Bruno Men's Facility).

2. The decision of whether to authorize and direct the sale of General Obligation bonds in the amount of \$6,140,000 for seismic strengthening for the San Bruno Men's Facility, is a policy decision for the Board of Supervisors.

EARTHQUAKE SAFETY PROGRAM - PHASE 1 NOVEMBER 1989  
\$ 9.7 MILLION  
BOND SALE SUMMARY  
FEBRUARY/MARCH 1992

BUILDING	ORIGINAL BUDGET	PRE-BOND SUPPLEMENTAL ORD. # 117-89	SUPPLEMENTAL REQUEST	SUPPLEMENTAL REQUEST RESERVE	MAY 1990 FIRST BOND SALE	JUNE 1991 SECOND BOND SALE	MARCH 1992 THIRD BOND SALE
1 SFED STATION # 1	3,494,000	383,500	0	0	383,500	0	0
2 SFED STATION # 2	3,487,000	54,000	3,433,000	0	3,487,000	0	0
3 SFED STATION # 7	1,081,000	54,000	0	0	0	0	0
4 SFED STATION # 8	1,450,000	54,000	1,396,000	0	1,450,000	0	0
5 SFED STATION # 11	395,000	0	0	0	0	0	0
6 SFED STATION # 12	2,950,000	0	0	0	0	0	0
7 SFED STATION # 21	664,000	0	0	0	0	0	0
8 SFED STATION # 24	1,880,000	54,000	0	0	0	0	0
9 SFED STATION # 31	2,505,000	0	311,285	0	385,285	1,620,705	0
10 SFED STATION # 39	825,000	0	0	0	0	498,848	0
11 SFED STATION # 37	1,888,000	54,000	808,897	0	0	1,225,032	0
12 SFED STATION # 38	820,000	0	0	0	682,967	0	0
13 SFED STATION # 40	1,448,000	54,000	393,578	0	0	1,162,854	0
14 SFED STATION # 41	1,840,000	54,000	509,000	0	417,378	1,436,422	0
15 SFED ASHURBY TANK	264,000	0	0	0	643,000	0	0
16 SFED OLD STATION # 21	1,091,000	0	0	0	0	0	0
17 SFED PUMP STATION # 1	2,121,000	42,420	0	0	42,420	0	1,081,000
18 SFED HEADQUARTERS BUILDING	4,819,000	58,840	10,400	0	69,240	913,771	2,063,560
19 LHM BOILER/EQUIPMENT	1,892,000	89,768	1,752,752	0	1,892,000	0	0
20 CAS COWELL HALL	1,897,000	47,270	1,649,730	0	1,024,000	0	0
21 CAS 12G RESEARCH	2,001,000	0	1,075,000	893,119	1,075,000	0	818,000
22 CAS 12G RESEARCH	11,232,000	28,268	4,908,517	4,908,517	5,089,000	0	0
23 FAN LEGION OF HONOR	128,268	0	0	10,0680	1,443,000	0	0
24 NEW EXISTING MAIN LIBRARY	8,426,060	128,268	1,318,732	0	0	0	0
<b>SUBTOTAL</b>	<b>57,872,000</b>	<b>1,074,834</b>	<b>17,802,188</b>	<b>9,872,290</b>	<b>18,877,000</b>	<b>5,985,715</b>	<b>8,043,444</b>
25 PLANNING AND ASSESSMENT	1,800,000	338,000	1,125,000	0	1,483,000	337,000	0
26 PROJECT CONTINGENCY	20,000	0	0	0	0	83,785	8,558
<b>SUBTOTAL</b>	<b>59,700,000</b>	<b>1,412,834</b>	<b>19,927,188</b>	<b>9,872,290</b>	<b>20,360,000</b>	<b>8,398,500</b>	<b>8,050,000</b>
27 Chief Administrative Officer	-	0	0	0	0	2,000	10,000
28 City Attorney	-	60,000	0	0	80,000	90,000	40,000
29 Controller	-	100,000	0	0	100,000	11,500	0
<b>SUBTOTAL</b>	<b>59,700,000</b>	<b>1,572,834</b>	<b>19,927,188</b>	<b>9,872,290</b>	<b>20,560,000</b>	<b>9,500,000</b>	<b>8,100,000</b>

\* BOND COUNSEL AND FINANCIAL ADVISOR WILL BE PAID DIRECTLY OUT OF BOND PROCEEDS - CONTROLLER'S FEES FOR 3rd SALE ARE INCLUDED IN CAO'S ITEM 27.

## 1987 SFPD Bond Program Schedule/Supplemental Appropriations

(Includes 3rd Bond Sale – January 1992)

Project	Original Budget	Revised Approved Budget	1st Bond Sale July 88	2nd Bond Sale January 91	Total Expended as of 10/91	3rd Bond Sale January 92
A. BAYVIEW STATION	\$6,500,000	\$5,150,000	\$2,624,013	\$2,525,987	\$1,637,946	\$0
B. PISTOL RANGE*	600,000	3,650,000	3,650,000 *	0	3,611,646	0
C. CENTRAL STATION	2,600,000	2,800,000	218,000	100,000	203,007	2,482,000
D. RICHMOND STATION	2,600,000	3,377,700 @	2,600,000	597,210 "	3,082,347	0
E. INGLESIDE STATION	700,000	1,600,000	1,600,000	0	1,600,000	0
F. MISSION STATION	7,800,000	7,800,000	360,000	5,000,000	5,017,076	1,088,000 @@
G. TARAVAL STATION	4,600,000	4,800,000	396,000	2,404,000	245,355	2,000,000
H. JUVENILE BUREAU	1,100,000	1,100,000	0	220,000	5,376	80,000 "
I. PARK STATION	600,000	600,000	0	150,000	0	450,000
J. GOLDEN GATE STABLES	500,000	500,000	0	500,000	0	0
TOTALS	\$26,000,000	\$31,377,700 **	\$11,448,013	\$11,497,197	\$15,402,753	\$6,100,000

\*Includes \$936,167 interest earned from First Bond Sale + \$10,509,846 from First Bond Sale.

\*\*\$3,377,700 over original budget will be augmented by interest funds from Bond proceeds and sale of surplus properties at the existing Potrero Station, Juvenile Division on Greenwich Street and possibly the existing Mission Station site.

@Approximately \$200,000 is included for a temporary trailer facility during construction. Plus, approximately \$470,000 and \$100,000 is included for seismic upgrading and wheelchair ramp respectively.

" \$597,210 supplemental funding requested by SFPD from interest earnings from 1st Bond Sale. \$180,490 under revised budget will be augmented by earned interest funds of \$1,279,872 from Bond proceeds.

@@ \$1,352,000 under original budget will be augmented from sale of surplus properties on 17th/Valencia Streets, new Mission Station site and existing Mission Station site.

" \$400,000 under original budget will be augmented from sale of surplus property at Juvenile Division on Greenwich Street.

# EARTHQUAKE SAFETY PROGRAM - PHASE 2 JUNE 1990 \$ 332.4 MILLION BOND SALE SUMMARY

9 MARCH 1992

BIDDER	FAMG MASTER PROJECT	ORIGINAL PROJECT	PRE-BOND SUPPLEMENTAL (QD 7/14-91)	1ST SALE SUPPLEMENTAL (QD 7/14-91)	1ST SALE RESERVE	ANNUITY (QD 7/14-91)	2ND SALE RELEASE	2ND SALE RESERVE	EST 2 TOTAL RESERVE	JUNE 1991 2ND BOND SALE (QD 7/14-91)	TOTAL SALE TO DATE (QD 7/14-91)	FEBRUARY 1992 3RD BOND SALE	TOTAL 870 SALE (QD 7/14-91)
100	100	624,100	*	14,000	0	14,000	0	0	-	0	14,000	0	14,000
2	2	630,000	0	0	0	0	0	0	0	0	0	0	0
3	3	128,345,500	750,972	500,000	1,250,972	1,250,972	8,807,500	11,459,544	11,459,544	18,309,678	18,309,678	28,800,000	46,420,872
4	4	130,000	0	44,000	0	44,000	6,100	63,900	63,900	82,000	126,000	126,000	190,000
5	5	300,000	0	300,000	0	300,000	0	0	0	0	0	0	0
6	6	27,180,000	8,112	31,292	39,404	81,200	25,000	84,500	84,500	119,500	210,000	100,000	310,000
7	7	1,000,000	0	1,000,000	0	1,000,000	0	0	0	0	0	0	0
8	8	300,000	0	50,000	40,000	90,000	10,000	40,000	40,000	110,000	150,000	30,000	180,000
9	9	17,180,000	8,112	17,180,000	0	17,180,000	0	0	0	0	0	0	0
10	10	11,115,000	0	11,115,000	0	11,115,000	0	0	0	0	0	0	0
11	11	11,115,000	0	11,115,000	0	11,115,000	0	0	0	0	0	0	0
12	12	11,115,000	0	11,115,000	0	11,115,000	0	0	0	0	0	0	0
13	13	11,115,000	0	11,115,000	0	11,115,000	0	0	0	0	0	0	0
14	14	314,000	0	12,000	12,000	12,000	0	0	0	0	0	0	0
15	15	3,000,000	0	15,000	15,000	15,000	0	0	0	0	0	0	0
16	16	3,000,000	0	15,000	15,000	15,000	0	0	0	0	0	0	0
17	17	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
18	18	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
19	19	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
20	20	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
21	21	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
22	22	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
23	23	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
24	24	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
25	25	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
26	26	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
27	27	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
28	28	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
29	29	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
30	30	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
31	31	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
32	32	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
33	33	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
34	34	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
35	35	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
36	36	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
37	37	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
38	38	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
39	39	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
40	40	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
41	41	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
42	42	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
43	43	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
44	44	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
45	45	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
46	46	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
47	47	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
48	48	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
49	49	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
50	50	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
51	51	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
52	52	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
53	53	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
54	54	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
55	55	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
56	56	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
57	57	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
58	58	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
59	59	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
60	60	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
61	61	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
62	62	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
63	63	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
64	64	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
65	65	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
66	66	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
67	67	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
68	68	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
69	69	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
70	70	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
71	71	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
72	72	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
73	73	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
74	74	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
75	75	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
76	76	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
77	77	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
78	78	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
79	79	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
80	80	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
81	81	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
82	82	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
83	83	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
84	84	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
85	85	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
86	86	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
87	87	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
88	88	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
89	89	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
90	90	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
91	91	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
92	92	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
93	93	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
94	94	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
95	95	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
96	96	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
97	97	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
98	98	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
99	99	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
100	100	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
101	101	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
102	102	1,000,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0
103	103	1,000,000	0	10,000	10,000	10,000							

**FUNDING DESCRIPTION  
1988 LIBRARY BOND, SALE #4**

The bond sale will cover projected expenditures as follows:

Legal and Financial Counsel for Bond Sale	\$258,000
Bureau of Architecture staff salaries - 1 year, 10 months	1,875,000
Principal Architect, Project Manager, architectural staff, clerical staff and inspectors during the final 22 months of construction of the New Main Library.	
Library staff salaries - 1 year, 10 months	317,000
Chief Librarian and 2 support staff members managing the Main Library and Branch Library renovations.	
Art Enrichment Program - Phase 3:	850,000
Funding for the final phase (fabrication not installation) of the artists' contracts; administration by Arts Commission staff.	
New Main Library Construction Contract	80,279,000
Funds will be used to construct the new Main Library	
Branch Library Renovations:	921,000
\$4.1 million (of \$5 million budgeted) has been previously sold; the remaining funds will provide for additional in-house design and construction management services and construction.	
Contingencies are included in Construction Contract funds above	
TOTAL	\$84,500,000



Memo to Finance Committee  
April 15, 1992

Item 10 - File 101-90-124.1

**Department** Recreation and Park Department

**Item:** Release of reserved funds for construction services for construction of the Crocker-Amazon Lighting Project.

**Amount:** \$170,000

**Source of Funds:** 1987 Park Improvement Bond Fund

**Description:** The Board of Supervisors previously approved Ordinance No. 256-91 (File 101-90-124) appropriating \$7,648,988 for various Recreation and Park Department capital improvement projects and placed \$5,248,650 on reserve pending identification of the contractors, detailed budget information, and the MBE/WBE status of the contractors.

The Recreation and Park Department is now requesting the release of \$170,000 of the \$5,248,650 reserved appropriation to augment funding in the amount of \$492,000, which was previously appropriated for construction of the Crocker-Amazon Lighting Project at the Crocker-Amazon Playground. The Crocker-Amazon Playground is located at the intersection of Geneva Avenue and Moscow Street. The \$492,000 previous appropriation was part of a \$1,452,000 appropriation that included the Lighting Project and other irrigation, landscaping, and recreation improvements at the Crocker-Amazon Playground. The estimated total cost of the Lighting Project is \$662,000 (\$492,000 plus \$170,000 - See Comment No. 2 below). The Crocker-Amazon Lighting Project consists of the following elements:

- Soccer field lighting
- Tennis court and basketball court lighting
- Pathway and security lighting
- Parking lot lighting

**Comments:** 1. The Recreation and Park Department reports that the Edward W. Scott Electric Company, Inc., a firm located in San Francisco, has been selected on the basis of its low bid of \$565,900 to construct lighting for Crocker-Amazon. Edward W. Scott Electric Company, Inc., is not certified as a MBE or WBE or LBE owned-enterprise with the City's Human Rights Commission.



2. The total budget for the Crocker-Amazon Lighting Project is as follows:

Construction Contract	\$565,900
Contingencies (10 percent)	56,590
Construction Administration	<u>39,510</u>
Total Budget	\$662,000

As noted above, \$492,000 in funding has already been approved for this project. The Recreation and Park Department is requesting an additional \$170,000 to fund the total \$662,000 project.

3. The Crocker-Amazon Lighting Project would be managed by the Department of Public Works (DPW). According to Mr. Tom Trimbур of the DPW, the project work is scheduled to commence in July of 1992 and to be completed by February of 1993.

4. The work to be done under this contract consists of furnishing and installing galvanized rigid steel conduit, pull boxes, wiring, floodlight type luminaries, pathway lighting, illuminated signs, galvanized steel piles, galvanized steel arm brackets, concrete foundations, ground rods, power and control panels, required appurtenances and accessories; removing and disposing of existing lighting poles and wiring; performing testing work and performing all related and incidental work.

5. The details of the contract administration of \$39,510 are as follows:

Project Management-Bureau of Engineering (\$70.38/hr. for approximately 14 hours)	\$1,000
Electrical Engineering-Bureau of Engineering (\$65.61/hr. for approximately 76 hours)	5,000
Construction Management and Inspection (\$56.66/hr. for approximately 591 hours)	<u>33,510</u>
Total	\$39,510

**Recommendation:** Approve the release of the \$170,000 of reserved funds.

Item 11 - File 101-91-38.1

**Department:** Public Library

**Item:** Request for release of reserved funds for the new Main Library exploratory excavation.

**Amount:** \$219,542 (See Comment #1)

**Source of Funds:** 1988 Library Improvement Bond funds

**Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-91-38) for \$4,015,003 to be used for miscellaneous project services for the construction of the new Main Library, and a total of \$1,529,805 in funds were placed on reserve pending various reasons, including specification of construction details. If the Board of Supervisors approves the request for release of reserved funds in the amount of \$219,542, a balance of \$1,310,263 would be left on reserve.

**Comments:** 1. The Board of Supervisors previously approved a resolution (File 38-92-12) for the acceptance of a gift from the San Francisco Building and Construction Trades Council for services valued up to \$125,000 for the demolition, asbestos abatement and removal of debris from 100 Larkin Street, which has to be demolished in conjunction with construction of the new Main Library. The San Francisco Building and Construction Trades Council subsequently indicated that it will be unable to perform the asbestos abatement work, which would cost approximately \$40,000. Mr. Kenneth Dowlin of the Public Library reports that the Public Library is requesting that the proposed release of reserved funds be increased by \$40,000, from \$219,542 to \$259,542 to cover the costs for asbestos abatement work at 100 Larkin Street. As noted above, a total of \$1,529,805 was reserved for miscellaneous project services for the construction of the new Main Library, so sufficient funds are available to increase the requested release of reserved funds by \$40,000 to \$259,542.

2. The requested release of reserved funds would be used for the following:

<u>Exploratory Excavation</u> Ryan Engineering	\$156,124
<u>Contingency</u> (approximately 15 percent of the exploratory excavation contract)	23,418
<u>Archaeological Services</u> O'Brien Krietzberg	40,000
<u>Asbestos Abatement - 100 Larkin Street</u> Paradigm, Inc.	<u>40,000</u>
Total Request	\$259,542

3. According to Mr. Russ Abel of the DPW's Bureau of Architecture, a construction contract was advertised for the Exploratory Excavation work. Mr. Abel reports that minority and women-owned businesses which are certified with the Human Rights Commission were also solicited to submit bids for the Exploratory Excavation contract. The low-bidder, Ryan Engineering, located in South San Francisco is neither a MBE or WBE firm certified with the Human Rights Commission. Mr. Abel indicates that the contract would be awarded as a lump sum contract, and the Exploratory Excavation work is anticipated to occur from June, 1992 through September, 1992. The exploratory excavation work to be performed by Ryan Engineering would be excavating to a depth of approximately 10 feet in order to uncover any potential historical artifacts or remains.

4. As noted above, the contractor for the Archaeological Services contract is O'Brien Krietzberg. Mr. Abel reports that O'Brien Krietzberg is currently the firm responsible for the overall Construction Management for the new Main Library, and would complete their services under a lump sum contract, by amending their existing contract for construction management services. Mr. Abel indicates that O'Brien Krietzberg would monitor the excavation efforts and make recommendations regarding the uncovering of any historical artifacts or human remains. O'Brien Krietzberg is neither a MBE or WBE firm.

5. Also as noted above, the Asbestos Abatement work would be completed by Paradigm, Inc. Mr. Abel reports that Paradigm, Inc. would complete these services as part of its ongoing City-wide contract through the DPW's Bureau of Environmental Regulation Management. Paradigm, Inc.,

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located in San Leandro, is neither a MBE or WBE firm. Mr. Abel also reports that the asbestos abatement work began on April 2, 1992 and would be completed by April 10, 1992, and the demolition of the 100 Larkin Street building is scheduled for April 11-12, 1992. As previously noted, the demolition services have been donated by the San Francisco Building and Construction Trades Council (File 38-92-12). Both the asbestos abatement work and the demolition of the 100 Larkin Street building are anticipated to be completed prior to the approval of the requested release of reserved funds because it was originally anticipated that the San Francisco Building and Construction Trades Council would donate the asbestos abatement services. In addition, the asbestos abatement work had to occur prior to the demolition of the Larkin Street building, which has to be completed during April 11-12, 1992 in order to proceed with the ground breaking for the new Main Library which is scheduled for April 23, 1992.

6. Given that the Public Library is requesting \$40,000 of the reserved funds to be used for asbestos abatement work which has already occurred, the Budget Analyst believes that approval of releasing the \$40,000 for asbestos abatement work is a separate policy matter for the Board of Supervisors.

- Recommendations:**
1. Approval of the use of the additional \$40,000 for asbestos abatement work which has already occurred is a policy matter for the Board of Supervisors.
  2. If the Finance Committee approves the additional \$40,000 for asbestos abatement, increase the amount of the requested release of reserved funds by \$40,000, from \$219,542 to \$259,542, and release the funds.





Item 12 - File 100-91-1.24

**Department:** Airport

**Item:** Release of \$466,180 reserved during fiscal year 1991-92 budget hearings pending MBE/WBE status of the contractors

**Amount:** \$466,180

**Source of Funds:** Airport Operating Fund

**Description:** During the fiscal year 1991-92 budget hearings, the Finance Committee placed \$261,000 on reserve from the Airport Operating Fund for Consultant Services, \$75,000 from the Airport's Personnel Examination Program Professional Services, and \$595,000 from the Airport's Legal Services Professional Services, for a total of \$931,000, pending determination of the contractors, MBE/WBE status of the contractor, and hourly rates. The Airport now requests the release of \$466,180 for three contracts.

First, the Airport requests \$81,180 to contract with Integrated Business Solutions, a Human Rights Commission certified MBE and WBE firm. Integrated Business Solutions would design, develop, and implement an Air Traffic Monitoring Program. This system would track all types of aviation activity, including aircraft operations, landing weights, passengers and cargo tonnage. The proposed \$81,180 would support approximately 1,309 personnel hours at \$62 per hour.

Second, the Airport requests that \$50,000 be released to expand a contract with Law Enforcement Psychological Services, Inc., which is not a Human Rights Commission certified MBE/WBE firm. The Airport requires as part of its employment process that all applicants for public safety classifications be individually psychologically evaluated to determine their suitability for employment, and Law Enforcement Psychological Services provides such psychological evaluations. The need for this service has exceeded the original estimates, the Airport advises, because such exams were originally administered to Airport Police only, but now are required to be administered to Communication Operators, Senior Communication Operators, Airfield Safety Officers, and Police Service Aids, Ms. Angela Gittens of the Airport advises. The Airports Commission decided to expand the scope of the examinations, Ms. Gittens advises, because those classes are just as much a part of the emergency and security

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function as the Airport Police in that they have airfield access and receive Federal Aviation Administration notification. To carry out these additional examinations, a contract modification and release of funds is required. The proposed \$50,000 would support approximately 132 exams, at a cost of \$380 each.

Third, the Airport requests that \$335,000 be released to expand a contract with Orrick, Herrington, & Sutcliffe and Pamela Jue, Attorney at Law, a joint venture. Pamela Jue, Attorney at Law, is a Human Rights Commission certified WBE firm. Orrick, Herrington & Sutcliffe is neither a MBE nor a WBE firm. The \$335,000 would support legal services related to the issuance of bonds to refund the \$206 million in Series D and E bonds. Ms. Gittens advises that the \$206 million in Series D and E bonds would be refunded at between seven and eleven percent, depending on the market, for a savings to the Airport of between \$14.42 million and \$22.66 million. This bond refunding authorization is anticipated to be heard by the Board of Supervisors in November 1992. The proposed bond counsel would prepare the bond documents to be approved by the Board of Supervisors, Ms. Gittens advises.

The proposed \$335,000 contract with Orrick, Herrington & Sutcliffe and Pamela Jue, Attorney at Law, a joint venture, would support the following: (1) Orrick, Herrington & Sutcliffe at an average hourly rate of \$195 per hour for 1,066 hours, at a total hourly cost for Orrick, Herrington & Sutcliffe, of \$207,870; (2) Pamela Jue, Attorney at Law at an hourly rate of \$200 per hour for 565 hours, for a total hourly cost for Pamela Jue, Attorney at Law, of \$113,000; and (3) miscellaneous expenses, including reproduction at \$5,000, word processing and printing at \$8,000, courier services at \$520, and computer fees for legal research at \$610, for a total of \$14,130, for both Orrick, Herrington & Sutcliffe and Pamela Jue, Attorney at Law.

#### Comments

1. The proposed Air Traffic Monitoring System, which would be included in the Integrated Business Solutions contract is part of the Airport Business and Revenue Management System, has been approved by the Electronic Information Processing Steering Committee (EIPSC).

2. Integrated Business Solutions was selected based on a request for proposal. According to the Airport, five companies responded, and Integrated Business Solutions received the highest rating because they received MBE/WBE preference points. As noted above, Integrated Business

Solutions is registered with the Human Rights Commission as an MBE and WBE firm.

3. Orrick, Herrington & Sutcliffe and Pamela Jue, Attorney at Law, a joint venture, were selected based on a request for proposals. As noted above, Pamela Jue, Attorney at Law, is a Human Rights Commission certified WBE firm, and Orrick, Herrington & Sutcliffe are neither a MBE nor a WBE certified firm.

4. Law Enforcement Psychological Services, Inc. was selected based on a request for proposals. The Airport has contracted with Law Enforcement Psychological Services since January 1991. The original contract with Law Enforcement Psychological Services, to examine Airport Police only, was for \$49,000 to conduct 129 exams at a cost of \$380 per exam. The proposed \$50,000 increase represents an increase of approximately 102 percent.

**Recommendation:** Approve the proposed release of reserved funds.



Item 13 - File 127-92-2

1. The proposed item would amend Article II, Part III of the San Francisco Municipal Code, by amending Section 807 thereof, providing an exemption from the payment of the Stadium Operator Admission Tax, by extending for one year, through December 31, 1992, the exemption from the payment of admission taxes on tickets sold at \$12.99 or less.

2. Until December 31, 1991, Section 807 of Article II, Part II of the San Francisco Municipal Code provided for an exemption from the \$0.50 Stadium Operator Admission Tax for tickets prices at \$12.99 or less for the first 42,500 paid admissions to any single event. Since January 1, 1992, the exemption from the \$0.50 tax applies only to all tickets prices at \$2.01 or less. The proposed ordinance would amend Section 807 to extend the exemption from the \$0.50 tax for tickets priced at \$12.99 or less for the first 42,500 paid admissions at each event to be effective for one year, until December 31, 1992.

Baseball season began April 4, 1992, and the exemption from the Stadium Operator Admission Tax expired on December 31, 1991. Since season tickets have previously been sold for the 1992 season and one home game has already been played, if approved, the proposed ordinance would need to be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.

3. The Stadium Operator Admission Tax was established in 1971 to finance partially the expansion of Candlestick Park. The Giants report that a) the stadium expansion of 1970 was exclusively for the accommodation of football; b) between 1970 and 1979, attendance in excess of pre-expansion capacity (approximately 42,500) occurred on only 15 occasions totalling only 118,526 tickets with total additional ticket sales from the expansion resulting in approximately \$511,600 of additional revenue; c) during this same time period (1970-79), the Giants generated approximately \$2,064,046 in Stadium Operator Admission tax revenues. Since 1980, the Giants have exceeded pre-expansion capacity on 60 dates (10 of these dates were in the 1989 season which had total attendance of 2,370,126 including 310,297 for three playoff games and two World Series games).

4. Prior to 1977, exemptions from this Stadium Operator Admission Tax had a minor impact on revenues and were primarily limited to tickets prices at \$2.01 or less. From 1977 through 1987, the ticket prices to be exempt rose several times. During 1988 and 1989, the exemption was on tickets of \$12.99 or less for the first 42,500 paid admissions at each event. Tickets sold in excess of 42,500 at each event were subject to the \$0.50 tax. As previously noted, the proposed ordinance would extend the exemption for tickets priced at \$12.99 or less for the first 42,500 paid admissions until December 31, 1992.

5. Actual revenues to the Candlestick Park Fund from the \$.50 Stadium Operator Admission Tax from FY 1986-87 through FY 1991-92 have been as follows:

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April 15, 1992

	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	
49ers	\$304,561	\$306,400	\$349,089	\$341,000	\$326,000	\$326,000	****
Giants	0	87,636*	11,094**	176,259***	22,262**	6,761 **	
Monsters of Rock Concert			<u>32,500</u>				
Total	<u>\$304,561</u>	<u>\$394,036</u>	<u>\$392,683</u>	<u>\$517,259</u>	<u>\$348,262</u>	<u>\$332,761</u>	

\* Reflects Admission Tax payments on playoff games which had ticket prices exceeding \$9.99.

\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game.

\*\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game and for playoff and World Series games which had ticket prices exceeding \$12.99.

\*\*\*\* Estimate based on ticket sales for 1991.

6. Ticket prices for the Giants in 1992 are \$12.25 lower box, \$11.25 upper box, \$10.25 lower reserved, \$8.25 upper reserved, \$5.25 pavilion, and \$2.75 general admission. These prices represent an increase of 25¢ per ticket for each of these categories over the 1991 prices to provide the per ticket surtax of 25¢ for tickets of less than \$27 (Giants tickets). A surtax of 75¢ was added in 1991 for tickets of \$27 or more (49ers tickets). These ticket surtaxes were implemented for the 1992 baseball and football seasons to support San Francisco high school sports. Since the prices of all the Giants tickets are less than \$12.99, all tickets sold by the Giants, excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets which have a price exceeding \$12.99, are exempt from the Stadium Operator Admission Tax. Ticket prices for the 49ers will increase from \$35 to \$35.75 for all seats in 1992. This 75¢ increase over the 1991 prices provides for the per ticket surtax of 75¢ for tickets over \$27 noted above. In accordance with a 1985 agreement between the City and the 49ers, luxury boxes are exempt from the Stadium Operator Admission Tax.

7. The projected amount of annual revenue in 1992 from the Stadium Operator Admission Tax, a) based on an exemption for all tickets sold at \$2.01 or less (which would result if this proposed ordinance were not approved), and b) based on an exemption for all tickets sold at \$12.99 or less (which would result if this proposed ordinance were approved), and c) based on budgeted and projected 1992 attendance figures, would be as follows:



Projected 1992 Stadium Operator Admission Tax Revenues

	If exemption of tax is on all tickets of \$2.01 or less (If proposed legislation is <u>not approved</u> )	If exemption of tax is on all tickets of \$12.99 or less for the first 42,500 paid admissions at each event (If proposed legislation is <u>approved</u> )	Estimated Additional Revenues to the City (If proposed legislation is <u>not approved</u> )
49ers	\$326,000	\$326,000	0
Giants	<u>875,000</u>	<u>6,761</u>	<u>\$868,239</u>
Total	\$1,201,000	\$332,761	\$868,239

Stadium Operator Admission Tax revenues are revenues to the General Fund. Therefore, approval of the proposed legislation would result in an estimated loss of revenue to the General Fund of approximately \$868,239.

Recommendations

(1) Providing for an exemption of the \$0.50 Stadium Operator Admission Tax on all tickets prices at \$12.99 or less for the first 42,500 paid admissions at each event, which would result in an estimated loss of revenue to the General Fund of approximately \$868,239, is a policy matter for the Board of Supervisors.

(2) If the legislation is approved, the proposed ordinance should be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.





Item 14 - File 183-92-2

**Department:** Mayor's Office of Economic Planning and Development

**Item:** Resolution authorizing a withdrawal of funds from the Urban Development Action Grant (UDAG) Revolving Loan Fund in the amount of \$1.8 million and transfer into an Enterprise Zone Working Capital Loan Guarantee Program with participating banks and in accordance with eligible activities under Title I of the Housing and Community Development Act of 1974.

**Description:** The Board of Supervisors previously adopted an ordinance (Ordinance No. 461-86) which established the San Francisco Urban Development Action Grant Revolving Loan Fund, for the purpose of receiving Federal Urban Development Action Grant (UDAG) grants, repayments of these grants and providing for expenditures from the fund for economic development loans and/or grants for activities eligible under Title I of the Housing and Community Development Act of 1974. Revenues are received into the UDAG Revolving Loan Fund from Federal UDAG grants awarded to the City and County, application of loan fees, interest generated by loans made from the Fund, and proceeds of investments of unexpended cash balances in the UDAG Fund. The UDAG Fund is administered by the Mayor's Office of Economic Planning and Development.

The Board of Supervisors also previously approved a resolution (File 248-91-1) which established San Francisco as an Enterprise Zone. Businesses in San Francisco which are located in a designated Enterprise Zone area are eligible for various State Hiring and Sales and Use Tax credits designed to provide employment for the City's economically disadvantaged population, to stimulate private investment, and to encourage business retention and attraction.

San Francisco has not yet received its final designation as an Enterprise Zone area from the State Department of Commerce. One of the conditions of San Francisco receiving its Final Enterprise Zone designation, the City must establish a \$1.8 million loan guarantee program for businesses in the Enterprise Zone area. This Enterprise Zone Working Capital Loan Guarantee Program would provide a loan guarantee to banks for working capital loans for businesses located within the Enterprise Zone area which want to obtain working capital loans. The proposed resolution would fulfill this requirement, by transferring \$1.8 million from the UDAG Revolving Loan Fund to establish the Enterprise Zone Working Capital Loan Guarantee Program. As specified in

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the City's application to the State for its Enterprise Zone designation, the source of funds for the proposed loan program is the UDAG Revolving Loan Fund.

**Comments:**

1. According to Ms. Gail Goldman of the Mayor's Office of Economic Planning and Development, the proposed Enterprise Zone Working Capital Loan Guarantee Program would either establish loan guarantee accounts with the participating banks, or with a third party escrow company, but it is anticipated that the loan guarantee accounts would not be established by the City. Ms. Goldman reports that an invitation to participate in the proposed Enterprise Zone Working Capital Loan Guarantee Program would be sent to all banks in San Francisco.

2. The participating banks would provide the loans to the businesses, and the program would be administered through the Mayor's Office of Planning and Economic Development. Ms. Goldman reports that it is anticipated that the loan packages would be completed by local economic development agencies, which would also attest to the eligibility of the businesses. These economic development agencies would be Asian, Inc., Mission Economic Development Agency (MEDA), and the Urban Economic Development Corporation. However, any loan made through the Enterprise Zone Working Capital Loan Guarantee Program would not be subject to approval by the Board of Supervisors.

3. As noted in the proposed resolution, the UDAG Revolving Loan Fund currently contains \$2,238,000. Therefore, a transfer of \$1,800,000 would leave a balance of \$438,000 in the UDAG fund. In addition, Ms. Goldman indicates that \$4,200 monthly, or \$50,400 annually is currently being paid into the UDAG Revolving Loan Funds from outstanding loan payments.

4. As noted above, expenditures from the UDAG Revolving Loan Fund must be eligible under Title I of the Housing and Community Development Act of 1974. Ms. Goldman reports that the Mayor's Office of Economic Development and Planning has determined that the transfer of the UDAG Revolving Loan Funds into an Enterprise Zone Working Capital Loan program is eligible under Federal guidelines.

5. As noted, the UDAG Revolving Loan Fund currently contains \$2,238,000. In addition, Ms. Goldman states that working capital loans are not available to small businesses for amounts under \$50,000, and therefore the proposed Enterprise Zone Working Capital Loan Guarantee Program would meet this funding gap.

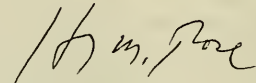
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

6. Ms. Goldman reports that any administrative costs incurred as a result of the proposed Enterprise Zone Working Capital Loan Guarantee Program would be absorbed within the existing budget of the Mayor's Office of Economic Planning and Development. As noted above, the proposed \$1.8 million from the UDAG Revolving Loan Fund would provide the loan guarantee for the proposed Enterprise Zone Working Capital Loan Guarantee Program in the event that businesses default on loans, and it is anticipated that these loan guarantee accounts would be established with participating banks or with a third party escrow company, and would not be established by the City.

7. The Mayor's Office of Economic Planning and Development is currently developing the guidelines of the proposed Enterprise Zone Working Capital Loan Guarantee Program. Given that the Board of Supervisors previously established its policy by approving a resolution which designated San Francisco as an Enterprise Zone area (File 248-91-1), and given that the proposed resolution would establish a working capital loan program, which is required in order for the City to receive its final Enterprise Zone designation, the Budget Analyst recommends approval of the proposed resolution. However, the Budget Analyst recommends amending the proposed resolution to require that the Mayor's Office of Economic Planning and Development report back to the Board of Supervisors on the proposed program guidelines and program administration, prior to the implementation of the proposed program and the issuance of any loans. In addition, given that any loan made through the Enterprise Zone Working Capital Loan Guarantee Program would not be subject to approval by the Board of Supervisors, the Budget Analyst recommends amending the proposed resolution to require that the Mayor's Office of Economic Planning and Development provide the Board of Supervisors with an annual report on the types and amounts of loans issued and the status of repayments received beginning one year after the program is implemented.

Memo to Finance Committee  
April 15, 1992

- Recommendations:**
1. Amend the proposed resolution to require that the Mayor's Office of Economic Planning and Development report back to the Board of Supervisors on the proposed program guidelines and program administration, prior to the implementation of the proposed program and the issuance of any loans.
  2. Amend the proposed resolution to require that the Mayor's Office of Economic Planning and Development provide the Board of Supervisors with an annual report on the types and amounts of loans issued and the status of repayments received beginning one year after the program is implemented.
  3. Approve the proposed resolution as amended.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey



MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

APR 27 1992

SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, APRIL 22, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ AND MIGDEN

ABSENT: SUPERVISOR HALLINAN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
  - a. File 25-92-11. [Contracting Out City Services] Resolution concurring with the Controller's certification that guard/security services can be practically performed at the Earl P. Mills Community Center by private contractor for lower cost than similar work services performed by City and County employees. (Department of Public Works)
  - b. File 132-92-3. [Grant - Federal Funds] Resolution authorizing the San Francisco Arts Commission to apply for, retroactively accept and expend \$30,000 of National Endowment for the Arts Locals Program Funds to develop a long range planning process and plan, including two percent, or \$600.00 for indirect costs associated with City administration of the grant funds, by which resources and action plans are secured for the San Francisco Arts Commission and shared with the community. (Arts Commission)
  - c. File 132-92-4. [Grant - Foundation Funds] Resolution authorizing the San Francisco Arts Commission to apply for, retroactively, accept and expend \$30,000 of San Francisco Foundation Grant Funds to assist long range planning process for the Commission and its programs in areas that may include marketing and promotion, subgranting, programming and facilities development and operation; for the benefit of strengthening the Commission's mission, programs, and projects; including two percent for indirect costs associated with the administration of the grant. (Arts Commission)
  - d. File 146-92-7.1. [Grant - State Funds] Resolution authorizing the Department of Public Health, Emergency Medical Services Agency, to accept and expend a grant of \$45,103, which includes indirect costs in the amount of \$4,572 based on twenty percent of salaries from State Emergency Medical Services Authority, for development of a registry of emergency pediatric patients. (Department of Public Health)



- e. File 146-92-25. [Grant - State Funds] Resolution authorizing the Department of Public Health, Central Administration, to accept and expend a grant of \$28,711, which includes indirect costs in the amount of \$2,871 based on ten percent of the total award from the State Department of Health Services, to provide health education materials, supplies, and travel costs for health administrative and technical staff. (Department of Public Health)

**ACTION:** Items b, c and e removed from Consent Calendar. Remainder of the Consent Calendar recommended.

Item 1b, File 132-92-3. Amended by placing \$29,400 on reserve.  
Recommended as amended.

Item 1c, File 132-92-4. Amended by placing \$29,400 on reserve.  
Recommended as amended.

Item 1e, File 146-92-125. Amended. Recommended as amended. (Add to title "retroactively".)

### REGULAR CALENDAR

2. File 115-92-3. [City Planning Code Amendment] Ordinance amending the City Planning Code, by adding Section 176.1 to create an administrative hearing procedure to enforce planning code requirements and a procedure to recover administrative costs of enforcement through assessment and lien. (Department of City Planning)  
(Cont'd from 4/8/92)

**ACTION:** Continued to April 29, 1992, meeting.

3. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 4/15/92)

**ACTION:** Hearing held. Continued to April 29, 1992, meeting.

4. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$97,258, for benefit payoff - miscellaneous (to back fill critical and mandated positions vacated because of early retirement). (Controller)  
(Cont'd from 4/15/92)

**ACTION:** Continued to April 29, 1992, meeting, at the request of Department.

5. File 101-90-115.1. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, in an amount totalling \$560,000, for architectural services contract and art enrichment program for the Vallejo Street - Churchill Alley Garage (\$542,000 Tai Associates Architects for design services and \$18,000 for administrative costs and design development contract for the art enrichment program). (Department of Parking and Traffic)  
(Cont'd from 4/15/92)

**ACTION:** Release of \$560,000 recommended. Filed.

6. File 183-92-2. [UDAG Revolving Loan Fund (Withdrawal)] Resolution authorizing a withdrawal of funds from the UDAG Revolving Loan Fund in the amount of \$1.8 million and transfer into an Enterprise Zone Working Capital Loan Guarantee Program with participating banks and in accordance with eligible activities under Title I of the Housing and Community Development Act of 1974. (Supervisor Gonzalez)  
(Cont'd from 4/15/92)

ACTION: Amended. (See file for details.) Recommended as amended.

7. File 170-92-3. [Bond Sale] Resolution authorizing and directing the sale of City and County of San Francisco \$6,100,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1989), Series 1992A, \$6,100,000 principal amount of General Obligation Bonds (Police Facilities Improvement Projects), Series 1992B, \$65,000,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1990), Series 1992C and \$84,500,000 principal amount of General Obligation Bonds (Library Facility Project), Series 1992D; prescribing the terms and form of said bonds; approving forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of notice of sale and notice of intention to sell bonds; approving the official statement relating thereto; consenting to submission of bids by co-financial advisors; and authorizing the execution of necessary documents. (Chief Administrative Officer)  
(Cont'd from 4/15/92)

ACTION: Amendment of the Whole adopted. Further amended to reduce the amount of the Series 1992C Public Safety Improvement Projects, 1990, General Obligation Bonds from "\$65,000,000" to "\$58,860,000". (City Attorney will prepare new Amendment of the Whole.) Title is changed on page 1, line 7, by replacing "\$65,000,000" with "\$58,860,000".  
Recommended as amended.

8. File 101-91-38.1. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of \$219,542, for the New Main Library Exploratory Excavation. (Public Library)  
(Cont'd from 4/15/92)

ACTION: Release of \$259,542 recommended. Filed.

9. File 127-92-2. [Stadium Operator Admission Tax] Ordinance amending Part III, San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the stadium operator admission tax by extending for one year through December 31, 1992 the exemption from the payment of admission taxes on tickets sold at \$12.99 or less. (Supervisor Ward)  
(Cont'd from 4/15/92)

ACTION: Continued to April 29, 1992, meeting.

10. File 28-92-4. [Airport Administration] Resolution approving a declaration of emergency, emergency water main repairs, McDonnell Road and R-6, Airport Contract No. 3126, San Francisco International Airport - \$140,000. (Airports Commission)

ACTION: Amended on lines 4 and 20, by replacing "\$140,000" with "\$143,898".  
New title: "Approving a declaration of emergency, emergency water main repairs, McDonnell Road and R-6, Airport Contract No. 3126, San Francisco International Airport - \$143,898." Recommended as amended.

11. File 31-92-2. [Employee Replacement] Resolution approving immediate filling of vacated position of Classification 0650 Traffic Hearing Officer, Juvenile Division, Superior Court. RO #91206. (Superior Court)

ACTION: Recommended.

12. File 101-90-94.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works/Cleanwater Program, in the amount of \$600,000, for modification to the Westside Pump Station (E. Mitchell, Inc., Contractor). (Department of Public Works)

ACTION: Release of \$600,000 recommended. Filed.

13. File 161-91-5 [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1991-92; the issuance of not to exceed \$1,000,000 of tax allocation bonds; an appropriation of \$100,000 for fiscal year 1991-92; and an amendment to the indebtedness limitation agreement. (Supervisor Gonzalez)  
(Cont'd from 4/1/92)

ACTION: Continued to April 29, 1992, meeting.

14. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 3/25/92)

ACTION: Hearing held. Continued to April 29, 1992, meeting.

15. File 212-92-1. Hearing to consider financial expenditure for the removal and relocation of the Pioneer Monument for the new main library. (Supervisor Hsieh)

IT IS THE INTENTION OF THE CHAIR TO CONTINUE THE ABOVE ITEM (FILE 212-92-1) TO MAY 6, 1992.

ACTION: Continued to May 6, 1992, meeting.

**SPECIAL ORDER – 3:00 P.M.**

16. File 21-92-1. [Sewer Service Charge] Resolution adopting and imposing schedules of sewer service and industrial cost recovery charges to be paid by users for fiscal year 1992-93 pursuant to Part II. Chapter X, Articles 4.1 and 4.2 of the Public Works Code; providing for a severability clause. (Chief Administrative Officer)

ACTION: Continued to April 29, 1992, meeting, as a Special Order at 3:00 p.m.

25  
CITY AND COUNTY



OF SAN FRANCISCO

92  
**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 20, 1992

**TO:** Finance Committee

**FROM:** Budget Analyst *Recommendations.*

**SUBJECT:** April 22, 1992 Finance Committee Meeting

**DOCUMENTS DEPT.**

**APR 17 1992**

**SAN FRANCISCO  
PUBLIC LIBRARY**

Item 1a - File 25-92-11

**Department:** Department of Public Works (DPW)

**Items:** Resolution concurring with Controller's Certification of Costs that Security Guard Services can continue to be practically performed at the Earl P. Mills Community Center by private contractor for lower cost than similar work services performed by the City and County of San Francisco.

**Services to be Performed:** Security Guard Services at Earl P. Mills Community Center

**Description:** The Controller has determined that contracting for these Security Guard Services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$18,781	\$22,182
Fringe Benefits	<u>5,850</u>	<u>6,555</u>
Total	\$24,631	\$28,737
<u>Contracted Service Cost</u>	<u>12,360</u>	<u>12,360</u>
<u>Estimated Savings</u>	\$12,271	\$16,377

**Comments:**

1. Security Guard Services were first certified as required by Charter Section 8.300-1 in 1981. These services have been provided by an outside contractor since 1974.

2. The current six-month contract, which expires June 30, 1992, is with McCoy Patrol Service. The Contracted Service Cost used for the purpose of this analysis is the current contractor's estimate of Security Guard Services for fiscal year 1992-93. McCoy Patrol Service is a certified MBE firm. The Purchasing Department will issue an Invitation for Bids for these services for the period July 1, 1992 through June 30, 1994 (two years).

3. The DPW's supplemental questionnaire with the Department's response, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.



CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department Department of Public Works, -CWE - Earl P. Mills Center  
(Hunters Point Facility)

Contract Services Security services

For the term starting approximately July 1, 1992 through June 30, 1993

1) Who performed services prior to contracting out?

Security guard services have always been contracted out.

2) Number of City employees laid off as a result of contracting out?

None. City employees have not been involved in providing security services.

3) Explain disposition of employees if they were not laid off.

Not applicable. See 2) above.

4) What percent of a City employee's time is spent on services to be contracted out?

No City employee time is spent on services contracted out.

5) How long have the services been contracted out?

Security services have been contracted out since 1974.

6) When was the first fiscal year for a Proposition J certification?

The initial Proposition J certification was prepared in 1981.

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Bids from minority and women-owned businesses are encouraged.

Alex Pitcher

Department Representative

431 9430

Telephone





Items 1b and 1c - Files 132-92-3 and 132-92-4

**Department:** Arts Commission

**Items:** The proposed resolution (File 132-92-3) would authorize the San Francisco Arts Commission to apply for, retroactively, accept, and expend a new Federal grant for \$30,000 for the Arts Locals Program Funds to develop a long range planning process and plan, including 2 percent, or \$600, for indirect costs associated with City administration of the grant funds, by which resources and action plans are secured for the San Francisco Arts Commission and shared with the community.

The proposed resolution (File 132-92-4) would authorize the San Francisco Arts Commission to apply for, retroactively, accept and expend a new private grant for \$30,000 to assist in the long range planning process for the Commission and its programs in areas that may include marketing and promotion, subgranting, programming and facilities development and operation; for the benefit of strengthening the Commission's mission, programs, and projects; including 2 percent, or \$600 for indirect costs associated with the administration of the grant.

**Source of Funds:** National Endowment for the Arts (File 132-92-3)  
San Francisco Foundation (File 132-92-4)

<b>Grant Amount:</b>	National Endowment for the Arts (File 132-92-3)	\$30,000
	San Francisco Foundation (File 132-92-4)	<u>30,000</u>
	Total	\$60,000

**Grant Period:** December 1, 1992 through December 1, 1993

**Project:** Strengthening the San Francisco Arts Commission through Planning

**Description:** The Arts Commission proposes to use these grant funds jointly to develop a long range and strategic plan for the Arts Commission. According to the Arts Commission. the Arts Policy Plan which was adopted in 1991 as part of the City's Master Plan stated as one of its objectives to "maintain and strengthen the Arts Commission so that it can better serve the public and City government through arts policy coordination, planning and programming." The proposed grant funds would be used for assistance and structure to focus its mission, goals, and programs, to meet the needs of the arts community.

**Required Match:** Total match of \$30,000 for the National Endowment for the Arts grant (File 132-92-3) to be provided through the San Francisco Foundation Grant (File 132-92-4).

**Indirect Costs:** \$1,200 or two percent of the total proposed grant funds of \$60,000.

**Comments:** 1. According to the Arts Commission, the proposed total grant funds of \$60,000 would be used as follows:

<u>Contractual Services</u>	
Planning Consultants	\$58,800
<u>Indirect Costs</u>	<u>1,200</u>
Total Budget	\$ 60,000

2. As noted above, the Arts Commission proposes to use all of the proposed grant funds of \$58,800, excluding the indirect costs of \$1,200, for contractual services. The responsibilities of the Planning Consultants would include to facilitate meetings with Commissioners, staff and citizen advisory committees, clarify goals, provide a written document and long range plan for the Arts Commission and provide written goals and implementing actions.

3. According to Ms. Joanne Chow Winship, Director of Cultural Affairs for the Arts Commission, the Arts Commission anticipates issuing a Request for Proposal during the Summer, 1992, which would be followed by an interview of the finalists for the planning consultants. However, since these contractors have not yet been selected, the \$58,800 budgeted for consultant services (consisting of \$29,400 from the National Endowment for the Arts funds and \$29,400 from the San Francisco Foundation funds) should be reserved, pending the estimated hours, hourly rates and the MBE and WBE status of the consultants.

4. As noted above, both of the proposed resolutions (Files 132-92-3 and 132-92-4) would authorize the Arts Commission to apply for the proposed grant funds retroactively. The Arts Commission reports that the deadlines for the proposed National Endowment for the Arts grant (File 132-92-3) was March 2, 1992, and the deadline for the proposed San Francisco Foundation grant (File 132-92-4) was April 1, 1992, and therefore these grants were applied for prior to submitting the proposed legislation to the Board of Supervisors.

5. The Arts Commission has completed a Disability Access Checklist for each of the proposed grants, which are in the file.

6. Attached are the two "Summary of Grant Request forms" for each of the proposed grants.

**Recommendations:** 1. Amend the proposed resolution to reserve the \$58,800 budgeted for consultant services (consisting of \$29,400 from the National Endowment for the Arts funds and \$29,400 from the San Francisco Foundation funds), pending the estimated hours, hourly rates, and the MBE and WBE status of the consultants.

2. Approve the proposed resolution as amended.

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Arts Commission

Contact Person: Joanne Chow Winship Telephone: 415/554-9671

Project Title: Strengthening the San Francisco Arts Commission Through Planning

Grant Source: National Endowment for the Arts Locals Program

Proposed (New) / Continuation) Grant Project Summary:

The Arts Commission needs to better define its role in the changing San Francisco arts community and would like to accomplish this through a long range and strategic plan developed by the Commission and its staff with the assistance of a facilitator. The structure of arts delivery services is being rethought in the City of San Francisco by a number of groups resulting in the Arts Commission being considered as the possible central coordinator of services. In addition, the Arts Policy Plan which was adopted in 1991 as part of the City's Master Plan stated as one of its objectives to "maintain and strengthen the Arts Commission so that it can better serve the public and city government through arts policy coordination, planning and programming". The Arts Commission needs assistance and structure to focus its mission, goals, and programs, perhaps even developing new programs, to meet the needs of the arts community, in an ever changing social and economic environment.

Amount of Grant Funding Applied for: \$30,000.00

Maximum Funding Amount Available: \$30,000.00

Required Matching Funds: \$30,000.00

Number of Positions Created and Funded: 4 Consultants

Amount to be Spent on Contractual Services: \$55,700.00

Will Contractual Services be put out to Bid? yes

Term of Grant: 12/01/92 through 12/01/93

Date Department Notified of Available funds: December 1, 1992

Application Due Date: March 2, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Grant announcement



Department Head Approval

Joanne Chow Winship, Director of Cultural Affairs



File Number \_\_\_\_\_

Attachment  
Page 3 of 4Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying  
resolution:

Department: San Francisco Arts Commission

Contact Person: Joanne Chow Winship Telephone: 415/554-9671

Project Title: Strengthening the San Francisco Arts Commission Through Planning

Grant Source: San Francisco Foundation

Proposed (New) Continuation) Grant Project Summary:

The Arts Commission needs to better define its role in the changing San Francisco arts community and would like to accomplish this through a long range and strategic plan developed by the Commission and its staff with the assistance of a facilitator. The structure of arts delivery services is being rethought in the City of San Francisco by a number of groups resulting in the Arts Commission being considered as the possible central coordinator of services. In addition, the Arts Policy Plan which was adopted in 1991 as part of the City's Master Plan stated as one of its objectives to "maintain and strengthen the Arts Commission so that it can better serve the public and city government through arts policy coordination, planning and programming". The Arts Commission needs assistance and structure to focus its mission goals, and programs, perhaps even developing new programs, to meet the needs of the arts community, in an ever changing social and economic environment.

Amount of Grant Funding Applied for: \$30,000.00

Maximum Funding Amount Available: \$30,000.00

Required Matching Funds: \$30,000.00

Number of Positions Created and Funded: 4 consultants

Amount to be Spent on Contractual Services: \$55,700.00

Will Contractual Services be put out to Bid? yes

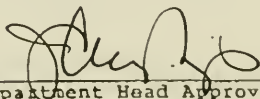
Term of Grant: 12/01/92 through 12/01/93

Date Department Notified of Available funds: December 1, 1992

Application Due Date: April 1, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

grant announcement



Department Head Approval

Joanne Chow Winship, Director of Cultural Affairs



Item 1d - File 146-92-7.1

**Department:** Department of Public Health (DPH)  
Emergency Medical Services (EMS) Agency

**Item:** Resolution authorizing the Department of Public Health, EMS Agency to accept and expend a grant of \$45,103, which includes indirect costs in the amount of \$4,572, based on 20 percent of salaries from the State Emergency Medical Services Authority for development of a registry of emergency pediatric patients.

**Grant Amount:** \$45,103

**Source of Grant:** State Emergency Medical Services Authority

**Grant Period:** June 25, 1992 to June 24, 1993

**Project Description:** The Board of Supervisors previously authorized the DPH to apply for the proposed grant funds in the amount of \$45,700 (File 146-92-7). The DPH now reports that the actual amount to be awarded by the State is \$45,103. The proposed State grant would be used by DPH, EMS Agency to develop a computerized registry of pediatric patients treated by Emergency Medical services (911) ambulances. The DPH advises that the purpose of the computerized registry is to monitor care given to these patients by paramedics and to assess the outcome of care given. The grant funds will specifically provide for the development of computer software and the collection of data from all 911 ambulance services and emergency departments. Additionally, based on the data collected, standard reports would be developed and distributed to EMS providers and the State EMS Authority.

**Project Budget:**

Personnel

Project Coordinator (400 hrs. @ \$25.00)	\$10,000	
Medical Transcriptionist (.4 FTE)	<u>12,862</u>	
Subtotal - Salaries	\$22,862	
Fringe Benefits (11.7%)	<u>2,669</u>	
Subtotal		\$25,531

Operating Expenses

Computer Consultant Services	\$10,000	
Personal Computer	3,000	
Computer Software	<u>2,000</u>	
Subtotal		15,000

<u>Indirect Costs</u>		<u>4,572</u>
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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

	Total	\$45,103
<b>Indirect Costs:</b>	\$4,572 (20% of personnel excluding benefits)	
<b>Required Match:</b>	None	
<b>Comments:</b>	<ol style="list-style-type: none"><li>1. The DPH reports that if the proposed State grant funds are reduced or terminated, the project staff would be reduced or terminated accordingly. A total of 0.6 FTEs of DPH staff are proposed for these grant funds.</li><li>2. The Electronic Information Processing Steering Committee (EIPSC) has reviewed and approved the DPH's proposal for the data processing equipment and related consultant services.</li><li>3. Attached is the "Health Commission Summary of Grant Request", as prepared by the DPH, for this State grant.</li><li>4. The DPH has prepared a Disability Access Checklist which is included in the file.</li></ol>	
<b>Recommendation:</b>	Approve the proposed resolution.	

Grantor State EMS Authority  
 Contact Person Michele Rains  
 Address 1930 9th Street, Suite 100  
Sacramento, CA 95814

Division Central Administration  
 Section EMS Agency  
 Contact Person Abbie Yant  
 Telephone 554-9960  
 Application Deadline 2/21/92  
 Notification Expected 5/31/92

Amount Requested \$45,103  
 Term: From 6/25/92 To 6/24/93  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (~~continuation~~) (~~allocation~~) (~~extension~~) grant in the amount of \$45,103 from the period of 6/25/92 to 6/24/93 to provide for development of a registry of emergency pediatric patients.

II. Summary: (Concise summary of need addressed; number & groups served; services and providers)

This project will validate a single EMS database for pediatric patients encountered by the prehospital care system in San Francisco (approximately 1200 patients per year). The reports generated by this registry will be used to evaluate prehospital emergency care of pediatric patients in San Francisco and to provide a list of required data elements and standards that can be used by other EMS systems in California.

III. Outcomes/Objectives: Develop a simple database program that will coordinate existing databases in EMS and is transferable to other EMS agencies; analyze data in a timely fashion and use for feedback to providers at quarterly conferences; provide a database for clinical research; define report requirements that will facilitate system planning and management.

IV. Effects of Reduction or Termination of These Funds:

This registry is an important aspect of the EMS - Children program in San Francisco. Without these funds we will not be able to accurately evaluate the effects of this program. Any significant reduction in the amount of these funds would delay or terminate the project

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$45,103			
Personnel			\$25,531			
Equipment						
Contract Svc.			\$10,000			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs			\$ 4,572			

VI. Data Processing

(costs included above)

\$ 5,000

VII. Personnel

F/T CSC			.4 FTE		
P/T CSC			.2 FTE		
Contractual			.1 FTE		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
 N/A

Will grant funded employees be retained after this grant terminates? If so, How?  
 no

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Estimate form)





Item 1e - File 146-92-25

**Department:** Department of Public Health (DPH),  
Central Administration

**Item:** Resolution authorizing the Department of Public Health to accept and expend a grant of \$28,711, which includes indirect costs in the amount of \$2,871, based on ten percent of the total award, from the State Department of Health Services to provide health education materials, supplies and travel costs for health administrative and technical staff.

**Grant Amount:** \$28,711

**Source of Funds:** Federal Health Incentive (314D) Block Grant Funds through the State Department of Health Services.

**Grant Period:** October 1, 1991 to September 30, 1992

**Description:** The proposed grant allocation of \$28,711 would represent the 13th year that the State Department of Health Services has allocated Federal Health Incentive Block Grant funds to the City. The DPH uses these funds to pay for health education materials and supplies, travel and training costs for DPH administration and technical staff.

**Grant Budget:** DPH Administrative and Support Services  
Travel funds for the Director of Health and other administrative and professional staff to attend conferences, workshops, seminars and training sessions held in and out of the State, including materials and supplies expenses. \$15,790

Public Health Field Services  
Funds for preventive health training and workshops for staff in the following programs: home health care, senior services, family health, substance abuse, disease control, dental program, environmental health and health education. 6,605

Public Health Related Services

Funds for conferences training and workshops on grant writing, funding availability, managed health care, health care reform and realignment, environmental health issues, sexual discrimination, and the American Disabilities Act for staff in the following programs: emergency medical services, medical indigent adult, toxics and hazardous waste. \$3,445

Indirect Costs 2,871

Total \$28,711

**Indirect Costs:** \$2,871 (10% of total grant award)

**Required Match:** None

**Comments:**

1. The DPH reports that the proposed grant funds are allocated by the State Department of Health Services to the City, based on a formula. As such, the City is not required to submit an application for the receipt of these funds.
2. As noted above, the proposed grant funds have an effective date of October 1, 1991. As such, the proposed legislation should be amended to authorize the DPH to accept and expend the proposed grant funds retroactively.
3. Attachment 1 is the "Health Commission Summary of Grant Request" as prepared by DPH, for this Federal grant.
4. Attachment 2 is the detailed grant budget provided by DPH for the 1991-92 expenditures for travel, training and conferences for the DPH's administrative and technical staff.
5. The DPH has prepared a Disability Access Checklist which is in the file.

**Recommendation:** Amend the proposed legislation to authorize the DPH to accept and expend the proposed grant funds retroactively and approve the legislation as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Grantor State Dept. of Health Services Division Central Administration  
 Contact Person Gary Miller Section \_\_\_\_\_  
 Address 714/744 P Street Contact Person Raymond J. Baxter, Ph.D.  
Sacramento, CA 95814 Telephone 415/554-2600  
 Amount Requested \$ 28,711.00 Application Deadline N/A  
 Term: From 10/1/91 To 9/30/92 Notification Expected \_\_\_\_\_  
 Health Commission N/A Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
 (Circle appropriate words) grant in the amount of \$28,711.00 from the period of 10/1/91 to 9/30/92  
 to provide health education materials, supplies, and travel costs ~~services~~

II. Summary: (Concise summary; need additional; number + groups served; services and providers)  
 for health administrative and technical staff.  
 This allocation will assist with the coverage of health education, travel, training, and  
 workshop attendance costs incurred by the following departments: central administration,  
health education/promotion, public health field services, EMS, AIDS, MIA, toxics,  
environmental health, senior services, family health, dental, disease control and the  
health centers.

III. Outcomes/Objectives:

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A Two Years Ago	Col. B First Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount	\$31,701.00	\$30,861.00	\$28,711.00	-\$2,150.00		
Personnel						
Equipment						
Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other			\$25,840.00			
Indirect Costs			\$ 2,871.00			

VI. Dept. Processing

(See instructions above)

N/A

VII. Personnel

	N/A				
F/T CSC					
P/T CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

VIII. Contractual Services: Open Bid N/A Sole Source N/A (Indicate any source for equipment)



## MEMORANDUM

DATE: April 15, 1992

THROUGH: Raymond J. Baxter, <sup>LB</sup> Director of Public Health

TO: Sandy Brown-Richardson, Board of Supervisors Budget Analyst

FROM: Hope Kamimoto, <sup>LB</sup> DPH Contract Management & Compliance

SUBJECT: 314d State Preventive Health Grant Budget

Projected expenditures against the 314D Grant are as follows:

ADMINISTRATIVE AND OTHER SUPPORTIVE SERVICES \$15,790

1. Meetings and training seminars for various support staff, eg: affirmative action, personnel, toxics and hazardous materials, environmental health, security, planning, contracts \$ 5,490
2. Director or designee to attend various meetings, seminars and conferences in various locations relating to public health issues, eg: State Realignment, Association of Hospitals & Health Officers of California, Conference of Local Health Officers, County Health Executives Association, Association of Bay Area Health Officers, various AIDS conferences \$ 9,300
3. Materials and supplies \$ 1,000

PUBIC HEALTH FIELD SERVICE

\$ 6,605

4. Training courses for Public Health Nurses, Health Centers staff, Community Public Health staff regarding current issues in health care for aging and homeless, education and information in home health care, substance abuse in pregnant women, nutrition and dementia in senior population \$ 3,105
5. Attendance of staff at various public health conferences to present abstracts and posters to receive and provide latest information on various public health issues \$ 3,500

OTHER PUBLIC HEALTH RELATED SERVICES

\$ 3,445

6. Planning staff to attend local, state and national meetings and workshops on grant writing, funding availability, managed health care, health care reform, and realignment \$ 2,000
7. Training workshops for health inspectors on environmental health issues, asbestos abatement and hazardous materials laws \$ 1,000
8. Training workshops on American Disabilities Act, sexual discrimination, and other discrimination issues \$ 445

INDIRECT CHARGES (10%)

\$ 2,871

TOTAL GRANT BUDGET

\$28,711





Item 2 - File 115-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 8, 1992.

**Department:** City Planning

**Item:** Ordinance amending the City Planning Code by adding Section 176.1 to create an administrative hearing procedure to enforce Planning Code requirements and a procedure to recover administrative costs of enforcement through assessments and liens.

**Description:** Article 1.7 of the City Planning Code, "Compliance," specifies the minimum requirements to which uses, structures, lots, features, and conditions must conform to be in compliance with provisions of the Planning Code. Section 176 of Article 1.7, "Enforcement Against Violations," specifies that "the Zoning Administrator shall have the authority to enforce this Code against violations thereof by any of the following actions:"

- Serving notice requiring the cessation, removal, etc., of the violation;
- Calling upon the City Attorney to take appropriate enforcement actions;
- Calling upon the District Attorney to institute criminal proceedings;
- Calling upon the Chief of Police and authorized agents to assist in the enforcement of the Code.

Article 1.7 provides civil penalties, "not to exceed \$500 for each day such violation is committed or permitted to continue, which penalty shall be assessed and recovered in a civil action brought ... in any court of competent jurisdiction." Article 1.7 further provides that violation of the Codes' provisions constitutes a misdemeanor and that conviction thereof may result in a fine not to exceed \$500 or imprisonment not to exceed each day that such violation is committed or permitted to continue.

The Bureau of Building Inspection of the Department of Public Works (DPW) currently has a violation abatement process which includes provisions for public hearings and cost recovery for time and materials. The Planning Code does not provide such a violation abatement process and does not

provide for public hearings and cost recovery. Rather, the Zoning Administrator only has access to enforcement through the City Attorney and other agencies previously cited. Staff of the City Planning Department have been working with the Bureau of Building Inspection and the City Attorney's Office to develop a comparable process for the Department of City Planning that offers both cost recovery and greater coordination with the DPW's Bureau of Building Inspection in enforcing City Codes.

The proposed ordinance would institute a violation abatement process, to eliminate Planning Code violations, that parallels the process used by the Bureau of Building Inspection and that would include the following major activities:

- Investigation and Complaints;
- Notice of Violation;
- Notice of Hearing;
- Hearings;
- Case Decisions;
- Contents of Cease and Desist Orders;
- Posting and Service of Cease and Desist Orders;
- Compliance; Rescission of Orders;
- Appeals;
- Report of Costs; Notice of Hearing on Confirmation;
- Hearing and Confirmation of Report for Special Assessment of Costs;

The proposed Planning Code violation abatement process would be operated by the Zoning Administrator, who would hear and decide cases. The Zoning Administrator may also designate a staff member of the Department of City Planning to act in his or her place to hear and decide cases.

The proposed ordinance provides that recoverable costs from Planning Code violations are the Zoning Administrator's administrative costs, including the cost of preparing cases and appearing at hearings, costs incurred by other departments in providing resources, and all prior and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

subsequent attendant costs from the time of initiating the investigation.

The proposed ordinance would also create a special revolving fund, to be known as the "Planning Code Enforcement Fund," for the purpose of depositing funds collected from the activities of the proposed ordinance. Those funds would be used to defray the costs and expenses, including administrative expenses, that would be incurred by the Zoning Administrator in carrying out the provisions of the proposed ordinance.

**Comments:**

1. The City Planning Department provided notice of a public hearing on March 5, 1992, to consider these proposals, at which time the City Planning Commission continued the matter until March 12, 1992, on which date the Commission considered the matter after receiving public testimony. At the March 12, 1992, meeting of the City Planning Commission, the Commission adopted Resolution No. 13314 approving the provisions of the proposed ordinance.
2. Resolution No. 13314 provides that "The Planning Commission's recommendation of enactment of these proposals is not in any way changing the City's policies which favor retention of illegal units." Illegal units are defined as dwelling units that have not been authorized under the City's regulatory requirements. Mr. Alec Bash of the Department of City Planning reports that the policy that favors retention of illegal dwelling units is found in the Residence Element of the City's Master Plan, which calls for retaining the existing supply of housing and discouraging housing demolitions.
3. According to Mr. Robert Passmore, the Zoning Administrator, the proposed ordinance would provide better service to the general public and property owners by providing parallel violation abatement processes with improved coordination between the Department of City Planning and the DPW's Bureau of Building Inspection. Mr. Passmore further reports that the proposed ordinance would begin to shift the burden of funding violation abatement activities from the General Fund to the specific property owners who are in violation of the City Planning Code. Mr. Bash reports that the Department estimates that \$50,000 would be collected from the proposed enforcement procedures on an annual basis.
4. The Budget Analyst published a management audit report of the Department of City Planning in December of 1988.

Included in that audit report was the following recommendation concerning Planning Code violations:

We recommend that the Director of Planning:

- Pursue, in conjunction with the City Attorney's Office, a method for recovering the costs of abating Planning Code violations.

5. The Budget Analyst published a management audit report of the City's Permit Processing System in October of 1989. In that audit report, the Budget Analyst identified a violation abatement backlog of approximately 4,000 cases that would require an estimated four full-time equivalent positions to eliminate over a greater than two year period.

6. Mr. Passmore further reports that additional staff to implement the proposed procedures have been requested in the Department's FY 1992-93 budget, subject to passage of the proposed legislation. Mr. Passmore reports that one-half time each of a Planner II, 5278, and a Senior Clerk Typist, 1426, with a combined annual salary requirement of \$43,899, would be required. Mr. Bash reports that should those positions not be funded, the Planning Commission would have to decide on whether to implement the proposed procedures.

7. The average hourly rate for costs that would be assessed for the investigation and disposition of Planning Code violations is approximately \$55 per hour.

8. According to Mr. John Madden, Deputy Controller, monies deposited in the proposed Fund would be carried forward each year. Mr. Madden also reports that the Fund's proceeds would be deposited in an interest bearing account and could be used only for Planning Code violation abatement purposes. Mr. Madden reports that because of the lag time between initiation of Planning Code enforcement actions and collection of enforcement revenues, combined with the probable uneven amount of revenue realized from fiscal year to fiscal year, the use of a special fund would be appropriate for the proposed use.

9. Mr. Passmore reports that Planning Department staff would work with other City agencies that may be affected by the legislation, such as DPW's Bureau of Building Inspection, the Fire Department, and the Health Department, to develop memoranda of understanding to ensure appropriate coordination.

**BOARD OF SUPERVISORS**  
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10. The Office of Environmental Review of the Department of City Planning has determined that the project is excluded from California Environmental Quality Act (CEQA) review.

**Recommendation:** While the Budget Analyst previously made recommendations in prior management audit reports to enhance the enforcement of the Planning Code, the Budget Analyst did not recommend additional positions be created. Therefore, given the City's current fiscal problems, approval of the proposed ordinance to create an administrative hearing procedure to enforce Planning Code requirements and a procedure to recover administrative costs of enforcement through assessments and liens which would require the addition of two one-half time City positions is a policy matter for the Board of Supervisors.





Item 3 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 15, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted had recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the recent \$139.2 to \$148.2 million shortfall projected, the Mayor's Office has now requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office has requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction. According to Ms. Serata, the various City departments are currently working on these additional reductions, and all such changes must be approved by each of the City commissions.

According to Ms. Serata, in addition to expenditure reductions, departments are being encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

Ms. Adelle Foley of the Mayor's Office reports that the requested reductions to the MUNI and Health Department must be taken in the context of the department's overall General Fund budget request. The Budget Analyst's Office has requested that the Mayor's Office provide a detailed explanation of any expenditure reductions and any revenue enhancements, such as Municipal Railway fare increases, in writing.

The Mayor's Office has outlined the following anticipated budget schedule. The Mayor's budget staff are presently working with each department and anticipate receiving the final revised proposed budgets from the various departments and commissions during the next couple of weeks. According to Mr. Hadley Roff of the Mayor's Office, the Mayor's Office should complete their review of the City's major departments within the next ten days to two weeks. This review will include additional revenue ideas and enhancements for these departments. As has been done in past years, Ms. Serata anticipates submitting the proposed departmental budgets to the Controller's Office by May 15, for reconciliation of individual department's numbers and the overall budget. According to Ms. Serata, a draft final budget would then be submitted to the printer on approximately May 22 and initial copies of the Mayor's 1992-93 budget should be available by approximately May 27. As has been the practice in prior years, the Mayor's Office could provide a confidential copy of the Mayor's budget to the Budget Analyst's Office once copies were available from the printer, although complete budget information, including necessary detail and back-up materials would not be available until June 1, 1992.

The Finance Committee inquired on April 8, 1992 and again on April 15, 1992 regarding the ability of the Board of Supervisors to receive the 1992-93 budget prior to the June 1, 1992 deadline as required by the Charter, or if that is not possible, to receive preliminary budget data or alternative budgetary scenarios

Memo to Finance Committee  
April 22, 1992

prior to the June 1, 1992 deadline. Ms. Foley reports that the Mayor's budget staff could meet with the Finance Committee after May 15, 1992 to review the Mayor's proposed budget package for fiscal year 1992-93, including expenditure reductions and revenue enhancements. However, as noted above, all of the detailed budget volumes and accompanying explanations, will not be available until on or about June 1st.



Item 4 - File 101-91-55.1

**Note:** This item was continued by the Finance Committee at its meeting of April 15, 1992.

**Department:** Controller

**Item:** Requesting release of \$97,258 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:** 1. On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program (Proposition A), to a reserve account to finance the lump sum sick leave and vacation payments.

2. Some of the positions vacated as a result of Proposition A, such as department head positions and other critical positions, are mandated by the Charter. Other positions, although not mandated are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or critical position, that position can be backfilled, if approved by the Proposition A Committee. The Committee consists of the Mayor, General Manager, Personnel, and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council, who serve as advisory members.

3. On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19 and March 20, 1992, and as a result of its departmental hearings process, recommended that \$1,867,425 for backfilling 199\* General Fund positions be released from reserve. The Finance Committee approved the release of funding in the recommended amount at its meeting of March 25, 1992.

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\* 200 were recommended for release for backfill but one of these positions did not take early retirement.



4. The Proposition A Committee reconvened its hearings on March 26, 1992, and subsequently requested that \$879,322 of the remaining \$1,132,575 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 169 General Fund positions. The Finance Committee approved the release of funding in the recommended amount at its meeting of April 1, 1992.

5. The Proposition A Committee reconvened its hearings on April 2, 1992, and subsequently requested that \$155,993 of the remaining \$253,253 from the original \$3,000,000 supplemental appropriation be released for funding the backfill of 61 General Fund positions (one Proposition A retiree was restored to his position, making the actual figure 60). The Finance Committee approved the release of funding in the recommended amount at its meeting of April 8, 1992. Therefore a balance of \$97,260 remains from the original appropriated \$3,000,000.

6. The Proposition A Committee reconvened its hearings on April 9, 1992. The Proposition A Committee, following the direction of the Finance Committee, did not recommend that funds from the remaining \$97,260 of the original \$3,000,000 supplemental appropriation be released from reserve. Instead, the Proposition A Committee indicated to the Finance Committee on April 8, 1992, that the Proposition A Committee would begin to identify the minimum of 500 General Fund positions to be eliminated, prior to requesting the release of additional reserved funds for backfilling vacated positions.

7. Attachment I is the most recent "Summary of Proposition A Review Committee Action by Department" Report issued by the Proposition A Committee, dated April 15, 1992. The Attachment identifies by City department the 1,326 Proposition A vacated positions as of April 9, 1992, including the 251 positions that are non-General Fund and mandated, and the 428 (199+169+60) positions previously approved by the Finance Committee for backfilling. Also shown in the Attachment is the overall percentage of positions recommended to be backfilled for each department, and the 647 remaining positions from which a minimum of 500 positions are to be selected for elimination from the FY 1991-92 and FY 1992-93 budgets.

8. The Proposition A Committee reconvened its hearings on April 16, and April 17, 1992, with a representative of the Budget Analyst's Office in attendance. The Proposition A Committee discussed, with the individual department representatives, whether to retain specific positions, to provisionally retain specific positions or to delete specific positions. As of the writing of this report, the Proposition A Committee had not provided the results of its decisions as to the number and identification of which positions are to be abolished.

9. The Proposition A Committee is not recommending that any balance of the \$97,260 in remaining funds from the original \$3,000,000 appropriation for backfilling be released at this time.

**Comments:**

1. Thus far in the Committee's selection process, a total of 428 General Fund positions have been selected for backfill out of 1,075 (1,326 minus 251) identified General Fund positions which have accepted early retirement. Presently, the remaining number of positions not recommended for backfill is approximately 647. However, it should be noted that this number is expected to be reduced, based on the number of any additional positions which the Proposition A Committee decides to retain or decides to backfill, subject to the release, by the Finance Committee, of the needed funds for such backfilled positions.

2. The Finance Committee has thus far released backfill funding in the amount of \$2,902,740 from the \$3,000,000 supplemental appropriation, as follows:

	<u>Amount</u>	<u>Number of Positions</u>
Released by the Finance Committee on 3/25/92	\$1,867,425	199
Released by the Finance Committee on 4/1/92	879,322	169
Released by the Finance Committee on 4/8/92	<u>155,993</u>	<u>60</u>
Total	\$2,902,740	428

Therefore, as previously noted, a balance of \$97,260 remains. In addition to the \$2,902,740 already released from reserve, additional funds actually and potentially available to the Health Department, the Municipal Railway, the Recorder's Office and the Public Administrator's Office will be used for funding positions previously approved for backfilling by the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Finance Committee. Each of these positions were included with \$1 of funding of the original \$3,000,000 appropriation.

3. The Proposition A Committee, in its hearings of April 16 and April 17, 1992, appears to be primarily oriented to retaining positions so as to ensure, that as a general rule, departments, other than the Health Department, retain approximately one-third of their Proposition A vacated positions. The Proposition A Committee is oriented to retaining approximately two-thirds of the Health Department's Proposition A vacated positions.

4. The Proposition A Committee appears to be oriented to recommending to the Mayor a total of 500 General Fund positions for elimination, the minimum permissible under Proposition A to be eliminated from the City's FY 1991-92 and FY 1992-93 budgets. As previously stated, a total of 647 General Fund positions for which authority to backfill has not been provided, remains. Elimination of each position through the Proposition A process saves approximately \$50,000, including fringe benefits, in General Fund expenditures, on the average. Should, for example, 600 rather than 500 General Fund positions be eliminated through the Proposition A process, an additional approximately \$5,000,000, annually, in General Fund savings would result. The abolishment of the remaining 647 positions could result in an estimated savings of \$32,350,000 annually or \$10,350,000 more than has been previously calculated in addressing the City's projected 1992-93 revenue shortfall of up to \$148.2 million.

5. The Transport Worker Union at the April 17, 1992, hearing testified to the effect that 40 9163 Transit Operator positions and 11 9139 Transit Supervisor positions, currently in the non-mandatory pool of 647 positions, are actually positions mandated by Proposition A. The Union stated that, in fact, agreement was reached with the City to protect these transit positions prior to placing Proposition A on the ballot. Attachment II are copies of letters from the Transport Workers Union of America to the Proposition A Committee in which the Union claims that these two classifications are not subject to the Committee's elimination process. Should these 51 transit positions be subsequently placed on the position retention list, the Proposition A Committee would be forced to rescind some of its prior decisions regarding retaining positions. However, while one of these letters was signed off by Mr. Claude Everhart, former Deputy Mayor, the Union presented no evidence that the Board of Supervisors had agreed to any such conditions.

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Memo to Finance Committee  
April 22, 1992

6. The next meeting of the Proposition A Committee is scheduled for Thursday, April 23, 1992.

**Recommendation:** Continue the item to the April 29, 1992, meeting of the Finance Committee.

revised 4/15/92

SUMMARY OF PROPOSITION A REVIEW COMMITTEE ACTION BY DEPARTMENT  
(reflects Committee action thru 4/9/92 & based on retirements thru 3/31/92)

DEPARTMENT	TOTAL RETIREEES	NON GEN'L FUND & MANDATED	POSITIONS BACKFILLED 3/25/92	POSITIONS BACKFILLED 4/1/92	POSITIONS BACKFILLED 4/8/92	% OF POSITIONS BACKFILLED TO TOTAL RETIREEES	REMAINING POSITIONS
01 BOARD OF SUPERVISORS	2	0	0	0	0	0%	2
02 ASSESSOR	10	0	2	0	0	20%	8
03 CITY ATTORNEY	9	1	0	3	0	44%	5
04 DISTRICT ATTORNEY	10	4	0	0	0	40%	6
05 PUBLIC DEFENDER	1	0	0	0	0	0%	1
06 SHERIFF	1	0	0	0	0	0%	1
08 TREASURER-TAX C.	15	0	1	3	0	27%	11
09 CONTROLLER	44	0	0	8	0	18%	36
12 JUVENILE PROBATION	14	0	0	3	0	21%	11
13 ADULT PROBATION	9	0	0	0	2	22%	7
25 MAYOR	3	0	1	0	0	33%	2
26 COMMISSION ON AGING	4	4	0	0	0	100%	0
27 AIRPORT	70	70	0	0	0	100%	0
29 CITY PLANNING*	5	0	1	1	0	40%	3
30 CIVIL SERVICE	6	0	1	1	0	33%	4
31 FIRE DEPARTMENT	3	0	0	1	0	33%	2
32 HETCH HETCHY PROJECT	21	21	0	0	0	100%	0
33 HEALTH SERVICE SYSTEM	2	0	2	0	0	100%	0
34 HUMAN RIGHTS CO	2	0	0	0	0	0%	2
35 MUNICIPAL RAILWAY	232	0	55	38	15	47%	124
36 PARKING & TRAFFIC CO	19	7	1	0	0	42%	11
38 POLICE COMMISSION	22	0	0	5	0	23%	17
39 PORT	11	11	0	0	0	100%	0
40 PUBLIC UTILITIES CO	41	16	0	1	0	41%	24
41 PUBLIC LIBRARY	33	0	12	0	0	36%	21
42 RECREATION & PARK	81	13	10	0	1	30%	57
44 RETIREMENT SYSTEM	4	0	1	0	0	25%	3
45 SOCIAL SERVICES	113	0	25	4	1	27%	83
46 WAR MEMORIAL	5	5	0	0	0	100%	0
47 WATER DEPARTMENT	30	30	0	0	0	100%	0
48 CO ON THE STATUS OF WOMEN	0	0	0	0	0	0%	0
49 PUC UGHT HEAT & POWE	1	0	1	0	0	100%	0
61 FINE ARTS MUSEUMS	7	0	0	0	0	0%	7
62 ASIAN ART MUSEUM	1	0	0	1	0	100%	0
70 CAO	1	1	0	0	0	100%	0
71 REAL ESTATE	4	0	0	1	0	25%	3
72 COUNTY AGRICULTURE-	1	0	1	0	0	100%	0
74 CORONER**	0	0	0	0	0	0%	0
75 ELECTRICITY	10	0	2	1	0	30%	7
76 RECORDER	1	0	0	0	1	100%	0
79 PUBLIC ADMINISTRATOR	1	0	0	0	1	100%	0
83 PUBLIC HEALTH-C. OFFICE	54	0	8	12	18	70%	16
85 LAGUNA HONDA	101	0	25	38	0	62%	38
86 SF GENERAL HOSPITAL	133	0	29	44	1	56%	59
87 COMM. MENTAL HEALTH	34	0	13	2	10	74%	9
90 PUBLIC WORKS	135	67	7	0	10	62%	51
91 PURCHASER	19	0	1	2	0	15%	16
93 CONVENTION FACILITIES	1	1	0	0	0	100%	0
TOTAL	1326	251	199	169	60	47%	647

\* The Proposition A Review Committee recommended an immediate backfill of the Deputy Director of Planning on 4/2/92 which was backfilled by the Finance Committee on 4/8/92. The employee has since rescinded his retirement.

\*\* The Proposition A Review Committee recommended an immediate backfill for the Coroner's Office on 3/19/92. The employee has since rescinded his retirement.

NOTE: THE TOTAL RETIREE COUNT HAS BEEN REDUCED BY 33 CITYWIDE TO REFLECT EMPLOYEES WITH DUPLICATE APPOINTMENTS.





# TRANSPORT WORKERS UNION OF AMERICA

LOCAL 250-A AFL-CIO

660 HOWARD STREET, 3RD FLOOR • SAN FRANCISCO, CA 94105  
TEL: (415) 543-4970 • FAX: (415) 543-5944

Attachment II

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April 17, 1992

BOBBIE L. BROWN  
PRESIDENT

LAIRE CALDWELL  
EXECUTIVE VICE-PRESIDENT

RAY J. ANTONIO  
SECRETARY-TREASURER

LIAM K.Y. JUNG  
COORDINATING SECRETARY

VICE-PRESIDENTS  
JOE W. BARNES  
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ESTON HATCH  
WILSON MILLS  
FRANCIS TOLLIVER

ARITA BRITT  
DIVISION CHAIRPERSON

## PROPOSITION "A" REVIEW COMMITTEE

City & County of San Francisco  
Room 200, City Hall  
San Francisco, CA 94102

Dear Committee Members:

Transport Workers Union, Local 250-A is very concerned about the affect and impact of reductions in service and personnel as a result of Proposition "A" - the 3+3 retirement plan, and foresee it as a major and immediate problem our members face.

Charter amendment language contained in Section 8.517-2 EARLY SERVICE RETIREMENT, items (2), (3), and (4) which outlines mandated positions according to specific criteria is of serious concern to Local 250-A and our members. In fact, the language as approved by the voters was the result of the meet and confer process held between the City and this Union which resulted with a ratified MOU which provides the following:

"There will be no layoff of employees covered by any of the TWU Memoranda of Understanding or reduction of budgeted positions covered by any of the TWU Memoranda of Understanding from the date of this letter until the end of fiscal year 1991-1992. Thereafter, before there is a layoff of employees or a reduction of budgeted positions, the City and the PUC will meet and confer with this Union as necessary."

This Local Union views any reduction in service or shortage of operators as a violation of our current MOU, as well as a violation of the TIDF funding as related to downtown service. Any proposed reductions in service or operating personnel should be offsetted and made up by TIDF funds.

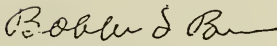
Further, we will oppose any service cuts or any reduction in MUNI's operating budget due to the hardship these cuts will create on our hard working members. There should be no question that the work our members perform is essential in the delivery of public service to the City and to the citizens of San Francisco. Any cuts would only aggravate and exacerbate the situation.

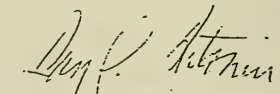


Page Two  
Proposition "A" Review Committee  
April 17, 1992

As the City and County of San Francisco is under legal obligations to meet the terms of the MOU, we, therefore take the position that all vacant positions represented by TWU, Local 250-A be automatically filled and that these classifications and positions not be subject to the Review Committee.

Very truly yours,

  
BOBBIE L. BROWN  
President

  
RAY J. ANTONIO  
Secretary-Treasurer

BLB:RJA:sfr  
opeiu 3 afl cio 142

cc: Mayor Frank Jordan  
Edward Harrington, Controller  
Albert C. Walker, General Manager, CSC  
Walter Johnson, Secr.-Treas., S. F. Labor Council  
Lawrence B. Martin, Int'l. Rep., TWU of Am.



# Local 200

## Transport Workers Union of America

Affiliated with American Federation of Labor and Congress of Industrial Organizations

660 Howard Street, Third Floor • San Francisco, CA 94105 • (415) 495-7326

FRED PETERSON, II  
President

April 17, 1992

ALICE FIALKIN  
Executive Vice-President

Proposition A Review Committee  
San Francisco City and County  
City Hall

ERRELL CROSS  
Secretary-Treasurer

Dear Committee members:

DM PIGGEE  
1st Vice-President

This letter expresses our firm belief that all 9139 Transit Supervisor requisitions shall be back-filled under the Proposition A, Early Retirement, Charter Amendment. Our position is based on the following:

ATE JACKSON  
2nd Vice-President

1) The 9139 Transit Supervisors qualify as mandated positions according to the language of Section 8.517-2 of the Charter. They meet the criteria under numbers (2), (3), and (4) of Section 8.517-2(b).

ENNETH A. RODRIGUEZ  
Recording Secretary

2) The language of Proposition A was negotiated to qualify the full return of the 9139's in total. It was negotiated as part of the Freeze agreement. For the Committee to deny this trade off and refuse to fill these requisitions would be in violation of the Freeze agreement.

ONALD A. JONES  
Executive Board Member

Additionally, we feel the 9140 Transit Manager I and the 9141 Transit Manager II positions are protected under criteria number (3) of Charter Section 8.517-2(b) as well. We enclose the M.O.U. side letter negotiated in May of 1991 which we believe supports the filling of these positions.

We hope you will consider the above and grant Muni the requisitions vital to the delivery of safe, courteous and efficient transit services in compliance with our Memorandum of Understanding.

Sincerely,

*Fred Peterson, II*  
Fred Peterson II  
President

*Alice Fialkin*  
Alice Fialkin  
Executive Vice President

cc: L. Martin  
W. Johnson  
J. Stein

1991-1995 Memorandum of Understanding  
Side Letter Re No Layoffs and No Reduction in Budgetted Positions

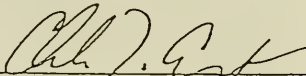
May \_\_\_\_\_, 1991

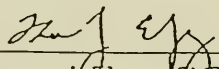
Lawrence B. Martin, International Representative  
Transport Workers Union of America, AFL-CIO  
660 Howard Street, 3rd Floor  
San Francisco, CA 94105

Dear Mr. Martin:

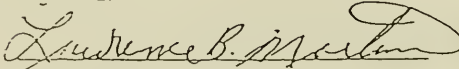
This letter is to confirm the agreement arrived at in the recent negotiations concerning the layoff of employees and reduction of budgetted positions.

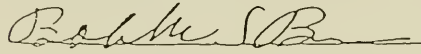
There will be no layoff of employees covered by any of the TWU Memoranda of Understanding or reduction of budgetted positions covered by any of the TWU Memoranda of Understanding from the date of this letter until the end of fiscal year 1991-1992. Thereafter, before there is a layoff of employees or a reduction of budgetted positions, the City and the PUC will meet and confer with this Union as necessary.

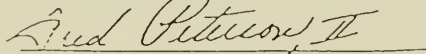
  
\_\_\_\_\_  
Claude Everhart, Deputy Mayor

  
\_\_\_\_\_  
Thomas J. Elzey, CMPUC

Agreed:

  
\_\_\_\_\_  
Lawrence B. Martin

  
\_\_\_\_\_  
Bobbie Brown, Local 250A

  
\_\_\_\_\_  
Fred Peterson, II, Local 200

Item 5 - File 101-90-115.1

**Note:** This item was continued from the Finance Committee meeting on April 15, 1992.

**Department:** Department of Parking and Traffic (DPT),  
Parking Authority

**Item:** Release of Reserved Funds for architectural services  
contract and art enrichment program for the Vallejo Street  
- Churchill Alley Garage

**Amount:** \$560,000

**Source of Funds:** Off-Street Parking Fund

**Description:** The Board of Supervisors previously approved a supplemental appropriation request for the DPT in the amount of \$600,000 for architectural and engineering services for the planned Vallejo Street/Churchill Alley Garage (File 101-90-115). At the same time, the Board of Supervisors placed the entire \$600,000 on reserve pending the DPT providing finalized cost details for the architectural and engineering services. The DPT had previously reported that Tai Associates Architects, a certified MBE firm, had been awarded a contract by the DPT to provide the necessary architectural and engineering services. However, the DPT had not had the opportunity to complete the contract negotiations with Tai Associates and as such DPT could not, at that time, provide final cost details for the contract.

The DPT now reports that the Department has negotiated the following fees and allowances under the contract with Tai Associates in an amount not to exceed \$702,000, as follows:

Basic Consultant Services	\$580,000
Additional Services Allowance*	60,000
Additional Meeting Allowance**	30,000
Reimbursable Expenses Allowance***	<u>32,000</u>
Total	\$702,000

- \* The Additional Services Allowance includes monies for Tai Associates to hire consultants, which include a soils engineer (\$7,850), a surveyor (\$8,850) and a consultant for construction materials testing services (\$43,300). Mr. Philip Sowers of the Department of Public Works, Bureau of Architecture reports that the amounts estimated for the soils engineer and surveyor

are based on historical experience regarding the cost of such services, which are based on the type, location and size of the construction site. The estimated cost for the consultant for construction materials testing services, is based on historical experience for the cost of these services for buildings of similar size and complexity.

\*\* The Additional Meeting Allowance would provide reimbursement to Tai Associates for meeting time associated with community meetings and with the Art Commission in connection with the art enrichment program.

\*\*\* The Reimbursable Expenses Allowance would provide reimbursement for various costs such as printing costs for plans to be provided to the City and mileage costs that are directly related to the garage project.

Mr. Sowers reports that the contract with Tai Associates was negotiated on the basis of specific tasks to be performed and not on the number of hours to be provided at a given hourly rate. The estimated costs of the tasks performed are based on historical experience regarding the cost of design services for buildings of a similar type, size and complexity.

The DPT advises that the contract with Tai Associates provides for an initial contract payment award in the amount of \$542,000, which would provide funding for Tai Associates to complete their work through the bidding process and the award of the construction contract for this project. Such work would include developing the design plans and specifications for the building, preparing the construction documents, consulting with the prospective construction contractors on the design plans and specifications and making any necessary modifications on the design plans for purposes of clarification. After the construction contract has been awarded, Tai Associates would be responsible for administrative oversight of the project construction to ensure that the building is constructed according to the design plans and specifications. These administrative oversight services would be funded by the remaining \$160,000 balance of the total \$702,000 negotiated amount of the Tai Associates contract less the \$542,000 for the initial contract award. The initial contract award of \$542,000, is detailed below:



Preliminary Design	\$100,000
Design Development	110,000
Construction Documents	230,000
Bidding	25,000
Additional Services Allowance for Survey and Soils Testing	15,000
Additional Meeting Allowance	30,000
Reimbursable Expenses Allowance	<u>32,000</u>
Total Initial Contract Award	\$542,000

In addition to the \$542,000, required for the initial contract award payment to Tai Associates, the DPT is also requesting that \$18,000 of the \$600,000 be released for administrative costs, contingencies and the design development contract for the art enrichment program for the Garage, bringing the total amount requested to be released from reserve to \$560,000 (\$542,000 plus \$18,000), which would leave a balance on reserve of \$40,000. Mr. Hagerty advises that although the administrative costs and design development contract costs for the art enrichment program were not originally included in the \$600,000 supplemental request for architectural and engineering services, there is a need for the art enrichment program to be coordinated with the architectural services in order that the art work can be incorporated into the architectural design. Ms. Tonia Macneal of the Arts Commission reports that the \$18,000 proposed for the art enrichment program would be expended as follows:

Administrative Overhead	\$3,000
Artist Contract Services for design development	8,000
Contingency	<u>7,000</u>
Total	\$18,000

**Comments:**

1. Mr. Hagerty reports that after the payment of the initial contract award of \$542,000, the remaining \$160,000 balance of the total \$702,000 negotiated amount of the contract with Tai Associates, would be funded through a combination of the \$40,000 balance in reserved funds plus \$120,000 from the sale of lease/revenue bonds. Mr. Hagerty advises that the sale of lease/revenue bonds to pay for a portion of these costs is necessary because the DPT's original estimate of \$600,000 for architectural and engineering services for this project is \$102,000 less than the actual Tai Associates contract amount of \$702,000. According to Mr. Hagerty, there are no uncommitted funds available in the Off-Street Parking Fund, which currently totals approximately \$1.5 million, to cover these costs. Mr. Hagerty notes that the DPT's



underestimate of the overall cost of the construction of this project, including design costs, was due to unanticipated costs associated with the fact that the project site is located in a high density area which has resulted in unique constraints being placed on construction set-up and design.

2. Ms. Macneal advises that the entire budgeted amount for the art enrichment program is \$60,000 (\$42,000 for construction plus \$18,000 for administrative costs, contingencies and design development). The \$7,000 for contingencies represents 14 percent of the total \$50,000 for construction (\$42,000) and design development (\$8,000). The \$42,000 for construction costs for the art enrichment program will be funded, from DPT's sale of the above noted lease/revenue bonds.

3. Given that the DPT is requesting the release of \$18,000 for the art enrichment program which was not originally identified as a part of the \$600,000 placed on reserve, the Budget Analyst believes that the proposed release of these additional reserved funds is a policy matter for the Board of Supervisors.

- Recommendations:**
1. Approve the requested \$542,000 release of reserved funds.
  2. Approval of the proposed release of reserved funds in the additional amount of \$18,000 for the art enrichment program, which was not originally placed on reserve is a policy matter for the Board of Supervisors.

Item 6 - File 183-92-2

**Note:** This item was continued at the Finance Committee meeting of April 15, 1992.

**Department:** Mayor's Office of Economic Planning and Development

**Item:** Resolution authorizing a withdrawal of funds from the Urban Development Action Grant (UDAG) Revolving Loan Fund in the amount of \$1.8 million and transfer into an Enterprise Zone Working Capital Loan Guarantee Program with participating banks and in accordance with eligible activities under Title I of the Housing and Community Development Act of 1974.

**Description:** The Board of Supervisors previously adopted an ordinance (Ordinance No. 461-86) which established the San Francisco Urban Development Action Grant Revolving Loan Fund, for the purpose of receiving Federal Urban Development Action Grant (UDAG) grants, repayments of these grants and providing for expenditures from the fund for economic development loans and/or grants for activities eligible under Title I of the Housing and Community Development Act of 1974. Revenues are received into the UDAG Revolving Loan Fund from Federal UDAG grants awarded to the City and County, application of loan fees, interest generated by loans made from the Fund, and proceeds of investments of unexpended cash balances in the UDAG Fund. The UDAG Fund is administered by the Mayor's Office of Economic Planning and Development.

The Board of Supervisors also previously approved a resolution (File 248-91-1) which established San Francisco as an Enterprise Zone. Businesses in San Francisco which are located in a designated Enterprise Zone area are eligible for various State Hiring and Sales and Use Tax credits designed to provide employment for the City's economically disadvantaged population, to stimulate private investment, and to encourage business retention and attraction.

San Francisco has not yet received its final designation as an Enterprise Zone area from the State Department of Commerce. One of the conditions of San Francisco receiving its Final Enterprise Zone designation, the City must establish a \$1.8 million loan guarantee program for businesses in the Enterprise Zone area. This Enterprise Zone Working Capital Loan Guarantee Program would provide a loan guarantee to banks for working capital loans for businesses located within the Enterprise Zone area which want to obtain working capital loans. The proposed resolution would fulfill this

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

requirement, by transferring \$1.8 million from the UDAG Revolving Loan Fund to establish the Enterprise Zone Working Capital Loan Guarantee Program. As specified in the City's application to the State for its Enterprise Zone designation, the source of funds for the proposed loan program is the UDAG Revolving Loan Fund.

**Comments:**

1. According to Ms. Gail Goldman of the Mayor's Office of Economic Planning and Development, the proposed Enterprise Zone Working Capital Loan Guarantee Program would either establish loan guarantee accounts with the participating banks, or with a third party escrow company, but it is anticipated that the loan guarantee accounts would not be established by the City. Ms. Goldman reports that an invitation to participate in the proposed Enterprise Zone Working Capital Loan Guarantee Program would be sent to all banks in San Francisco.
2. The participating banks would provide the loans to the businesses, and the program would be administered through the Mayor's Office of Planning and Economic Development. Ms. Goldman reports that it is anticipated that the loan packages would be completed by local economic development agencies, which would also attest to the eligibility of the businesses. These economic development agencies would be Asian, Inc., Mission Economic Development Agency (MEDA), and the Urban Economic Development Corporation. However, any loan made through the Enterprise Zone Working Capital Loan Guarantee Program would not be subject to approval by the Board of Supervisors.
3. As noted in the proposed resolution, the UDAG Revolving Loan Fund currently contains \$2,238,000. Therefore, a transfer of \$1,800,000 would leave a balance of \$438,000 in the UDAG fund. In addition, Ms. Goldman indicates that \$4,200 monthly, or \$50,400 annually is currently being paid into the UDAG Revolving Loan Funds from outstanding loan payments.
4. As noted above, expenditures from the UDAG Revolving Loan Fund must be eligible under Title I of the Housing and Community Development Act of 1974. Ms. Goldman reports that the Mayor's Office of Economic Development and Planning has determined that the transfer of the UDAG Revolving Loan Funds into an Enterprise Zone Working Capital Loan program is eligible under Federal guidelines.

5. As noted, the UDAG Revolving Loan Fund currently contains \$2,238,000. In addition, Ms. Goldman states that working capital loans are not available to small businesses for amounts under \$50,000, and therefore the proposed Enterprise Zone Working Capital Loan Guarantee Program would meet this funding gap.

6. Ms. Goldman reports that any administrative costs incurred as a result of the proposed Enterprise Zone Working Capital Loan Guarantee Program would be absorbed within the existing budget of the Mayor's Office of Economic Planning and Development. As noted above, the proposed \$1.8 million from the UDAG Revolving Loan Fund would provide the loan guarantee for the proposed Enterprise Zone Working Capital Loan Guarantee Program in the event that businesses default on loans, and it is anticipated that these loan guarantee accounts would be established with participating banks or with a third party escrow company, and would not be established by the City.

7. The Mayor's Office of Economic Planning and Development is currently developing the guidelines of the proposed Enterprise Zone Working Capital Loan Guarantee Program. Given that the Board of Supervisors previously established its policy by approving a resolution which designated San Francisco as an Enterprise Zone area (File 248-91-1), and given that the proposed resolution would establish a working capital loan program, which is required in order for the City to receive its final Enterprise Zone designation, the Budget Analyst recommends approval of the proposed resolution. However, the Budget Analyst recommends amending the proposed resolution to require that the Mayor's Office of Economic Planning and Development report back to the Board of Supervisors on the proposed program guidelines and program administration, prior to the implementation of the proposed program and the issuance of any loans. In addition, given that any loan made through the Enterprise Zone Working Capital Loan Guarantee Program would not be subject to approval by the Board of Supervisors, the Budget Analyst recommends amending the proposed resolution to require that the Mayor's Office of Economic Planning and Development provide the Board of Supervisors with an annual report on the types and amounts of loans issued and the status of repayments received beginning one year after the program is implemented.

8. The Mayor's Office of Economic Planning and Development anticipates that a loan agreement, which would be sent to all banks in San Francisco for the Working Capital Loan Guarantee Program, would be developed prior to the Finance Committee meeting of April 22, 1992.

- Recommendations:**
1. Amend the proposed resolution to require that the Mayor's Office of Economic Planning and Development report back to the Board of Supervisors on the proposed program guidelines and program administration, prior to the implementation of the proposed program and the issuance of any loans.
  2. Amend the proposed resolution to require that the Mayor's Office of Economic Planning and Development provide the Board of Supervisors with an annual report on the types and amounts of loans issued and the status of repayments received beginning one year after the program is implemented.
  3. Approve the proposed resolution as amended.



Item 7 - File 170-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 15, 1992.

The proposed resolution would authorize and direct the sale of General Obligation bonds, not to exceed an interest rate of 11 percent, consisting of \$6.1 million in Series 1992A for Public Safety Improvement Projects, 1989, \$6.1 million in Series 1992B for Police Facilities Improvement Projects, \$65.0 million in Series 1992C for Public Safety Improvement Projects, 1990, and \$84.5 million in Series 1992D for the Public Library Facility Project for a grand total of \$161.7 million. In addition, the proposed resolution would prescribe the terms and form of these bonds; approve and direct the official notice of sale and intention to sell these bonds, approve the official statements, consent to submission of bids by co-financial advisors and authorize the execution of the necessary bond documents.

Million

Series 1992A: Public Safety Improvement Bonds of 1989

\$6.1

In November of 1989, the electorate approved the issuance of \$59.7 million in General Obligation bonds to make seismic safety improvements to various City-owned buildings. Of the total \$59.7 million authorized, the City has previously issued \$27 million in General Obligation bonds. This third issuance would total \$6.1 million.

The proceeds from the sale of the proposed Series 1992A Bonds would be used primarily for seismic safety improvements, but also for the following purposes, where required, at Fire Stations number 36 and 40, Old Fire Station number 21, Pump Station number 1, and the California Academy of Sciences - Research Wing:

- Disabled access improvements
- Design, construction and construction management
- Asbestos abatement
- Certain costs related to the sale of the Series 1992A Bonds such as bond counsel and investment advisory services, printing, and other expenses.

Attachment I summarizes the proposed expenditures for this Bond issue.

Series 1992B: Police Facilities Improvement Projects

6.1

In November of 1987, the electorate approved \$28.0 million in General Obligation bonds to finance various improvements to San Francisco Police Department facilities. Of the \$28.0 million



authorized, the City has previously issued \$21.9 million in General Obligation bonds. The proposed legislation would approve the issuance of the remaining \$6.1 million.

The proceeds from the sale of Series 1992B Bonds will be used to finance the design, construction, construction management, engineering, project management, permits and certain costs related to the sale of 1992 Bonds such as bond counsel and investment advisory services, printing, and other expenses, for the following Police Facility projects:

- Central Station
- Taraval Station Construction
- Mission Station
- Juvenile Bureau Project
- Park Station

Attachment II summarizes the proposed expenditures for this Bond issue.

Series 1992C: Public Safety Improvement Projects 1990

\$65.0

In June of 1990, a total of \$332.4 million in Public Safety Improvement Bonds was approved by the voters. Of the \$332.4 million authorized, the City has previously issued \$49.5 million in two bond issues. The proposed legislation authorizes the third issuance of \$65 million of these bonds. These bonds are for seismic safety, asbestos abatement, and disability access improvements to various City-owned buildings.

The proceeds from the sale of the Series 1992C Bonds will be used for the following purposes:

- 16 major seismic safety projects, including earthquake related repairs and improvements to City Hall, the Civic Auditorium, the Golden Gate Park Music Concourse and the San Bruno Jail.
- Funding for the Department of Public Works, including management, design and construction activities for the program.
- Certain costs related to the issuance of the Series 1992C Bonds such as bond counsel and investment advisory services, printing, and other expenses.

Attachment III summarizes the proposed expenditures for this Bond issue.

Series 1992D; Library Facilities Project

\$84.5

In November of 1988, the electorate approved the issuance of \$109.5 million in General Obligation bonds for Library Facilities Improvements, which is primarily for construction of the new Main Library. Of the \$109.5 million, the Board of Supervisors has authorized sales totalling \$25 million in bonds. The proposed legislation authorizes the issuance of the remaining \$84.5 million in bonds for the construction of the new Main Library.

Proceeds of the Series 1992D Bonds will be used for the following purposes related to the construction of a new Main Library.

- Construction management costs
- Construction contract
- Art enrichment program - Phase 2
- Excavation project
- Certain costs related to the issuance of the Series 1992D Bonds such as bond counsel and investment advisory services, printing, and other expenses.

Attachment IV summarizes the proposed expenditures for this Bond issue.

Total Proposed Bond Sale

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\$161.7

The proposed resolution would also provide for the following:

- Authorize publication of the official notice relating to the sale of the bonds. The sale is scheduled to be held on May 13, 1992.
- Specifying the form and terms of the issuance and authorizing the preparation of the bonds. All bonds to be sold will pay interest not to exceed 11 percent per year and will mature in the year 2012 (20 year terms). Interest will be paid semiannually beginning on December 15, 1992.
- Establishing Special Funds related to the bonds. Property taxes collected to pay off the bonds will be deposited in the Special Funds.
- Approving the official statement relating to the bonds. Copies of the official statement containing the particulars of the bond sale, including a statement of the financial condition of the City, will be available to all bidders.

- Consenting to the submission of bids by the financial consultants and authorizing official action.
- Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City. Such award must be approved by the Board of Supervisors.
- Providing that the City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest payments.

### Comments

1. Approval of this resolution would permit the sale of the bonds and the depositing of the bond proceeds in the designated Special Funds. However, all future appropriations of these Bond Fund monies would be subject to separate approval by the Mayor and the Board of Supervisors through Supplemental Appropriation Ordinances.

2. The proposed resolution states that the bonds will not exceed a maximum annual interest rate of 11 percent. However, Ms. Laura Wagner-Lockwood of the CAO's Office reports that if the bonds were sold today, the bonds would probably be sold at an overall interest rate of between 6.5 percent and 7.0 percent.

3. Ms. Wagner-Lockwood estimates that on a 20-year basis, and assuming an interest rate of approximately 7.00 percent, which is the current prevailing rate, the proposed \$161.7 million bond sale would result in a total bond interest cost of approximately \$121.9 million and a total debt service requirement of approximately \$283.6 million. Over the 20-year period, this would result in an average debt service of approximately \$14.2 million per year. According to Ms. Wagner-Lockwood, for the first year of the 20-year term of the bonds, an interest rate of approximately 7.00 percent would result in a debt service cost of approximately \$15.8 million, or an approximately \$.03 per \$100 assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$265,000, would pay approximately \$77.40 in additional property taxes due to this bond issue. The property tax rate would gradually decline as the bonds are retired over the 20 year period.

4 The City's general obligation bonding capacity, which is equal to three percent of the City's total assessed property value, is approximately \$1.6 billion. Ms. Wagner-Lockwood advises that the City's present amount of General Obligation bonds outstanding is \$352 million. Therefore, the net available bonding capacity is approximately \$1.25 billion. The proposed sale of \$161.7 million of General Obligation bonds would reduce the City's bonding capacity to approximately \$1.09 billion.

5. Included in Series 1992C, Public Safety Improvement Projects 1990, is the sum of \$6,140,000 for seismic strengthening, and related improvements made necessary by the seismic strengthening, of the San Bruno Men's Jail Facility. According to Mr. Tony Irons of the Department of Public Works (DPW), DPW has prepared a bond report proposal to build replacement housing for the San Bruno Men's Jail Facility. The bond proposed is being developed at the request of the Sheriff's Department for consideration by the CAO and the Board of Supervisors in anticipation of placing the bond proposal on the November 1992 general election ballot. The estimated costs of the replacement facility and other improvements at the San Bruno site is as follows:

- Replacement Housing	\$111,024,000
- Services and Administration Building	32,631,000
- Other related improvements (Training Range)	<u>14,445,000</u>
Total	\$158,100,000

Mr. Tony Irons of DPW's Bureau of Architecture reports that if a proposition to construct a new San Bruno Men's Jail Facility is placed on the November 1992 ballot and the proposition is approved by the electorate, new replacement housing at the San Bruno facility could be available in 1997. If a new San Bruno Jail is approved, the existing San Bruno facility would be demolished.

6. Mr. Irons further reports that the existing housing at the San Bruno Men's Jail Facility does not meet the seismic requirements of San Francisco Building Code, but that the Building Code does not require seismic upgrading of the Facility in the absence of a major alteration.

7. Mr. Irons further reports that the Bureau of Architecture currently has a structural engineering firm, SOH&A, Inc., under contract and performing a seismic evaluation and study of the San Bruno Men's Jail Facility for the purpose of determining a cost effective seismic upgrade plan. Mr. Irons reports that the seismic evaluation and study is to be completed by the end of May 1992.

8. Mr. Dennis Aftergut, Chief Assistant City Attorney, reports that Proposition A of the November 1990 election which resulted in approval of \$332.4 million in Public Safety Improvement Bonds, does not require specific improvements to specific buildings. Mr. Aftergut further reports that the consent decree regarding the San Bruno Men's Jail Facility does not require seismic upgrading.

9. As previously noted, this legislation does not permit any bond fund expenditures. Any such expenditures must be subsequently appropriated by the Board of Supervisors.

10. Bonds represented in the Bond Sale Summaries shown in Attachments I, II, and III, were previously planned for sale in March, January, and February of 1992, respectively, and reflect those months on the Summaries. However, the sale of these bonds is now planned for May of 1992.

**Recommendations**

.1. Approve the proposed resolution authorizing and directing the sale of \$155,560,000 of General Obligation bonds (\$161,700,000 requested less \$6,140,000 for San Bruno Men's Facility).

2. The decision of whether to authorize and direct the sale of General Obligation bonds in the amount of \$6,140,000 for seismic strengthening for the San Bruno Men's Facility, is a policy decision for the Board of Supervisors.



EARTHQUAKE SAFETY PROGRAM - PHASE 1 NOVEMBER 1989  
\$59.7 MILLION  
BOND SALE SUMMARY  
FEBRUARY/MARCH 1992

BUILDING	ORIGINAL BUDGET	PRE-BOND SUPPLEMENTAL ORD. #117-90	SUPPLEMENTAL REQUEST	SUPPLEMENTAL REQUEST RESERVE	MAY 1990 FIRST BOND SALE	JUNE 1991 SECOND BOND SALE	MARCH 1992 THIRD BOND SALE
1 SEED STATION # 1	3,464,000	303,500	0	0	303,500	0	0
2 SEED STATION # 2	3,487,000	54,000	3,433,000	0	3,407,000	0	0
3 SEED STATION # 7	1,081,000	0	0	0	0	0	0
4 SEED STATION # 8	1,450,000	54,000	1,396,000	0	1,450,000	0	0
5 SEED STATION # 11	795,000	0	0	0	0	0	0
6 SEED STATION # 12	894,000	0	0	0	0	0	0
7 SEED STATION # 21	1,080,000	54,000	311,295	0	305,295	0	0
8 SEED STATION # 31	2,505,000	0	0	0	0	1,620,705	0
10 SEED STATION # 38	625,000	54,000	609,007	0	0	496,648	0
11 SEED STATION # 37	1,689,000	0	0	0	0	1,723,003	0
12 SEED STATION # 36	820,000	0	0	0	802,000	0	0
13 SEED STATION # 40	1,448,000	54,000	303,578	0	417,578	273,138	1,167,864
14 SEED STATION # 43	1,448,000	54,000	303,578	0	417,578	1,430,422	0
15 SEED STATION # 44	643,000	54,000	589,000	0	643,000	0	0
16 SEED STATION # 45	204,000	0	0	0	0	0	0
17 SEED STATION # 21	1,081,000	42,450	0	0	42,450	0	0
18 SEED STATION # 1	2,121,000	56,840	10,400	0	1,863,160	913,771	2,833,560
19 SEED HEADQUARTERS BUILDING	4,616,000	98,288	1,723,732	0	1,892,420	0	0
20 LHM BOLLER EQUIPMENT	1,862,000	47,270	1,723,732	0	1,892,420	0	0
21 GAS CONVEYER HALL	3,897,000	0	0	893,113	1,075,000	0	916,000
22 GAS CONVEYER	3,137,000	0	0	0	5,099,000	0	0
23 FILL LEGS	11,232,000	28,268	5,072,232	4,008,517	10,068,000	0	0
24 FILL EXISTING MAIN LIBRARY	9,420,000	128,288	1,316,732	10,068,000	1,443,000	0	0
<b>SUBTOTAL</b>	<b>57,872,000</b>	<b>1,074,834</b>	<b>17,802,188</b>	<b>9,072,200</b>	<b>18,077,000</b>	<b>5,965,715</b>	<b>9,043,444</b>
25 PLANNING AND ASSESSMENT	1,800,000	338,000	1,125,000	0	1,493,000	337,000	0
26 PROJECT CONTINGENCY	28,000	0	0	0	0	93,769	0,559
<b>SUBTOTAL</b>	<b>59,700,000</b>	<b>1,412,834</b>	<b>19,027,188</b>	<b>9,072,200</b>	<b>20,340,000</b>	<b>6,398,500</b>	<b>9,050,000</b>
27 City Administrative Office	-	0	0	0	0	2,000	10,000
28 City Attorney	-	60,000	0	0	60,000	90,000	40,000
29 Controller	-	100,000	0	0	100,000	11,500	0
<b>SUBTOTAL</b>	<b>59,700,000</b>	<b>1,572,834</b>	<b>19,027,188</b>	<b>9,072,200</b>	<b>20,500,000</b>	<b>6,500,000</b>	<b>9,100,000</b>

\* BOND COUNSEL AND FINANCIAL ADVISOR WILL BE PAID DIRECTLY OUT OF BOND PROCEEDS. CONTROLLER'S FEES FOR 3rd SALE ARE INCLUDED IN CAO'S ITEM 27.



## 1987 SFPD Bond Program Schedule/Supplemental Appropriations

(Includes 3rd Bond Sale – January 1992)

Project	Original Budget	Revised Approved Budget	1st Bond Sale July 88	2nd Bond Sale January 91	Total Expended as of 10/91	3rd Bond Sale January 92
A. BAYVIEW STATION	\$6,500,000	\$5,150,000	\$2,624,013	\$2,525,987	\$1,637,946	\$0
B. PISTOL RANGE*	600,000	3,650,000	3,650,000 *	0	3,611,646	0
C. CENTRAL STATION	2,600,000	2,800,000	218,000	100,000	203,007	2,482,000
D. RICHMOND STATION	2,600,000	3,377,700 @	2,600,000	597,210 "	3,082,347	0
E. INGLESIDE STATION	700,000	1,600,000	1,600,000	0	1,600,000	0
F. MISSION STATION	7,800,000	7,800,000	360,000	5,000,000	5,017,076	1,088,000 @@
G. TARAVAL STATION	4,800,000	4,800,000	396,000	2,404,000	245,355	2,000,000
H. JUVENILE BUREAU	1,100,000	1,100,000	0	220,000	5,376	80,000 **
I. PARK STATION	600,000	600,000	0	150,000	0	450,000
J. GOLDEN GATE STABLES	500,000	500,000	0	500,000	0	0
TOTALS	\$26,000,000	\$31,377,700 **	\$11,448,013	\$11,497,197	\$15,402,753	\$6,100,000

\*Includes \$936,167 interest earned from First Bond Sale + \$10,509,846 from First Bond Sale.

\*\*\$3,377,700 over original budget will be augmented by interest funds from Bond proceeds and sale of surplus properties at the existing Potrero Station, Juvenile Division on Greenwich Street and possibly the existing Mission Station site.

@Approximately \$200,000 is included for a temporary trailer facility during construction. Plus, approximately \$470,000 and \$100,000 is included for seismic upgrading and wheelchair ramp respectively.

"\$597,210 supplemental funding requested by SFPD from interest earnings from 1st Bond Sale: \$180,490 under revised budget will be augmented by earned interest funds of \$1,279,672 from Bond proceeds.

@@\$1,352,000 under original budget will be augmented from sale of surplus properties on 17th/Valencia Streets, new Mission Station site and existing Mission Station site.

\*\*\$600,000 under original budget will be augmented from sale of surplus property at Juvenile Division on Greenwich Street.



**FUNDING DESCRIPTION  
1988 LIBRARY BOND, SALE #4**

The bond sale will cover projected expenditures as follows:

Legal and Financial Counsel for Bond Sale	\$258,000
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Bureau of Architecture staff salaries - 1 year, 10 months	1,875,000
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Principal Architect, Project Manager, architectural staff, clerical staff and inspectors during the final 22 months of construction of the New Main Library.

Library staff salaries - 1 year, 10 months	317,000
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Chief Librarian and 2 support staff members managing the Main Library and Branch Library renovations.

Art Enrichment Program - Phase 3:	850,000
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Funding for the final phase (fabrication not installation) of the artists' contracts; administration by Arts Commission staff.

New Main Library Construction Contract	80,279,000
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Funds will be used to construct the new Main Library

Branch Library Renovations:	921,000
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\$4.1 million (of \$5 million budgeted) has been previously sold; the remaining funds will provide for additional in-house design and construction management services and construction.

Contingencies are included in Construction Contract funds above

TOTAL	\$84,500,000
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Item 8 - File 101-91-38.1

**Note:** This item was continued at the Finance Committee meeting of April 15, 1992.

**Department:** Public Library

**Item:** Request for release of reserved funds for the new Main Library exploratory excavation.

**Amount:** \$219,542 (See Comment #1)

**Source of Funds:** 1988 Library Improvement Bond funds

**Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-91-38) for \$4,015,003 to be used for miscellaneous project services for the construction of the new Main Library, and a total of \$1,529,805 in funds were placed on reserve pending various reasons, including specification of construction details. If the Board of Supervisors approves the request for release of reserved funds in the amount of \$219,542, a balance of \$1,310,263 would be left on reserve.

**Comments:** 1. The Board of Supervisors previously approved a resolution (File 38-92-12) for the acceptance of a gift from the San Francisco Building and Construction Trades Council for services valued up to \$125,000 for the demolition, asbestos abatement and removal of debris from 100 Larkin Street, which has to be demolished in conjunction with construction of the new Main Library. The San Francisco Building and Construction Trades Council subsequently indicated that it will be unable to perform the asbestos abatement work, which would cost approximately \$40,000. Mr. Kenneth Dowlin of the Public Library reports that the Public Library is requesting that the proposed release of reserved funds be increased by \$40,000, from \$219,542 to \$259,542 to cover the costs for asbestos abatement work at 100 Larkin Street. As noted above, a total of \$1,529,805 was reserved for miscellaneous project services for the construction of the new Main Library, so sufficient funds are available to increase the requested release of reserved funds by \$40,000 to \$259,542.

2. The requested release of reserved funds would be used for the following:

<u>Exploratory Excavation</u>	
Ryan Engineering	\$156,124
<u>Contingency</u> (approximately 15 percent of the exploratory excavation contract)	23,418
<u>Archaeological Services</u>	
O'Brien Krietzberg	40,000
<u>Asbestos Abatement - 100 Larkin Street</u> Paradigm, Inc.	<u>40,000</u>
Total Request	\$259,542

3. According to Mr. Russ Abel of the DPW's Bureau of Architecture, a construction contract was advertised for the Exploratory Excavation work. Mr. Abel reports that minority and women-owned businesses which are certified with the Human Rights Commission were also solicited to submit bids for the Exploratory Excavation contract. The low-bidder, Ryan Engineering, located in South San Francisco is neither a MBE or WBE firm certified with the Human Rights Commission. Mr. Abel indicates that the contract would be awarded as a lump sum contract, and the Exploratory Excavation work is anticipated to occur from June, 1992 through September, 1992. The exploratory excavation work to be performed by Ryan Engineering would be excavating to a depth of approximately 10 feet in order to uncover any potential historical artifacts or remains.

4. As noted above, the contractor for the Archaeological Services contract is O'Brien Krietzberg. Mr. Abel reports that O'Brien Krietzberg is currently the firm responsible for the overall Construction Management for the new Main Library, and would complete their services under a lump sum contract, by amending their existing contract for construction management services. Mr. Abel indicates that O'Brien Krietzberg would monitor the excavation efforts and make recommendations regarding the uncovering of any historical artifacts or human remains. O'Brien Krietzberg is neither a MBE or WBE firm.

5. Also as noted above, the Asbestos Abatement work would be completed by Paradigm, Inc. Mr. Abel reports that Paradigm, Inc. would complete these services as part of its ongoing City-wide contract through the DPW's Bureau of Environmental Regulation Management. Paradigm, Inc.,

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located in San Leandro, is neither a MBE or WBE firm. Mr. Abel also reports that the asbestos abatement work began on April 2, 1992 and would be completed by April 10, 1992, and the demolition of the 100 Larkin Street building is scheduled for April 11-12, 1992. As previously noted, the demolition services have been donated by the San Francisco Building and Construction Trades Council (File 38-92-12). Both the asbestos abatement work and the demolition of the 100 Larkin Street building are anticipated to be completed prior to the approval of the requested release of reserved funds because it was originally anticipated that the San Francisco Building and Construction Trades Council would donate the asbestos abatement services. In addition, the asbestos abatement work had to occur prior to the demolition of the Larkin Street building, which has to be completed during April 11-12, 1992 in order to proceed with the ground breaking for the new Main Library which is scheduled for April 23, 1992.

6. The City Attorney's Office is currently reviewing whether the San Francisco Building and Construction Trades Council did not fulfill any contractual responsibilities by reneging on completing the asbestos abatement work.

7. Given that the Public Library is requesting \$40,000 of the reserved funds to be used for asbestos abatement work which has already occurred, the Budget Analyst believes that approval of releasing the \$40,000 for asbestos abatement work is a separate policy matter for the Board of Supervisors.

- Recommendations:**
1. Approval of the use of the additional \$40,000 for asbestos abatement work which has already occurred is a policy matter for the Board of Supervisors.
  2. If the Finance Committee approves the additional \$40,000 for asbestos abatement, increase the amount of the requested release of reserved funds by \$40,000, from \$219,542 to \$259,542, and release the funds.





Item 9 - File 127-92-2

**Note:** This item was continued by the Finance Committee at its meeting of April 15, 1992.

1. The proposed item would amend Article II, Part III of the San Francisco Municipal Code, by amending Section 807 thereof, providing an exemption from the payment of the Stadium Operator Admission Tax, by extending for one year, through December 31, 1992, the exemption from the payment of admission taxes on tickets sold at \$12.99 or less.

2. Until December 31, 1991, Section 807 of Article II, Part II of the San Francisco Municipal Code provided for an exemption from the \$0.50 Stadium Operator Admission Tax for tickets prices at \$12.99 or less for the first 42,500 paid admissions to any single event. Since January 1, 1992, the exemption from the \$0.50 tax applies only to all tickets prices at \$2.01 or less. The proposed ordinance would amend Section 807 to extend the exemption from the \$0.50 tax for tickets priced at \$12.99 or less for the first 42,500 paid admissions at each event to be effective for one year, until December 31, 1992.

Baseball season began April 4, 1992, and the exemption from the Stadium Operator Admission Tax expired on December 31, 1991. Since season tickets have previously been sold for the 1992 season and one home game has already been played, if approved, the proposed ordinance would need to be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.

3. The Stadium Operator Admission Tax was established in 1971 to finance partially the expansion of Candlestick Park. The Giants report that a) the stadium expansion of 1970 was exclusively for the accommodation of football; b) between 1970 and 1979, attendance in excess of pre-expansion capacity (approximately 42,500) occurred on only 15 occasions totalling only 118,526 tickets with total additional ticket sales from the expansion resulting in approximately \$511,600 of additional revenue; c) during this same time period (1970-79), the Giants generated approximately \$2,064,046 in Stadium Operator Admission tax revenues. Since 1980, the Giants have exceeded pre-expansion capacity on 60 dates (10 of these dates were in the 1989 season which had total attendance of 2,370,126 including 310,297 for three playoff games and two World Series games).

4. Prior to 1977, exemptions from this Stadium Operator Admission Tax had a minor impact on revenues and were primarily limited to tickets prices at \$2.01 or less. From 1977 through 1987, the ticket prices to be exempt rose several times. During 1988 and 1989, the exemption was on tickets of \$12.99 or less for the first 42,500 paid admissions at each event. Tickets sold in excess of 42,500 at each event were subject to the \$0.50 tax. As previously noted, the proposed ordinance would extend the exemption for tickets priced at \$12.99 or less for the first 42,500 paid admissions until December 31, 1992.

5. Actual revenues to the Candlestick Park Fund from the \$.50 Stadium Operator Admission Tax from FY 1986-87 through FY 1991-92 have been as follows:

	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	
49ers	\$304,561	\$306,400	\$349,089	\$341,000	\$326,000	\$326,000	****
Giants	0	87,636*	11,094**	176,259***	22,262**	6,761 **	
Monsters of Rock Concert			<u>32,500</u>				
Total	<u>\$304,561</u>	<u>\$394,036</u>	<u>\$392,683</u>	<u>\$517,259</u>	<u>\$348,262</u>	<u>\$332,761</u>	

\* Reflects Admission Tax payments on playoff games which had ticket prices exceeding \$9.99.

\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game.

\*\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game and for playoff and World Series games which had ticket prices exceeding \$12.99.

\*\*\*\* Estimate based on ticket sales for 1991.

6. Ticket prices for the Giants in 1992 are \$12.25 lower box, \$11.25 upper box, \$10.25 lower reserved, \$8.25 upper reserved, \$5.25 pavilion, and \$2.75 general admission. These prices represent an increase of 25¢ per ticket for each of these categories over the 1991 prices to provide the per ticket surtax of 25¢ for tickets of less than \$27 (Giants tickets). A surtax of 75¢ was added in 1991 for tickets of \$27 or more (49ers tickets). These ticket surtaxes were implemented for the 1992 baseball and football seasons to support San Francisco high school sports. Since the prices of all the Giants tickets are less than \$12.99, all tickets sold by the Giants, excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets which have a price exceeding \$12.99, are exempt from the Stadium Operator Admission Tax. Ticket prices for the 49ers will increase from \$35 to \$35.75 for all seats in 1992. This 75¢ increase over the 1991 prices provides for the per ticket surtax of 75¢ for tickets over \$27 noted above. In accordance with a 1985 agreement between the City and the 49ers, luxury boxes are exempt from the Stadium Operator Admission Tax.

7. The projected amount of annual revenue in 1992 from the Stadium Operator Admission Tax, a) based on an exemption for all tickets sold at \$2.01 or less (which would result if this proposed ordinance were not approved), and b) based on an exemption for all tickets sold at \$12.99 or less (which would result if this proposed ordinance were approved), and c) based on budgeted and projected 1992 attendance figures, would be as follows:

Projected 1992 Stadium Operator Admission Tax Revenues

	If exemption of tax is on all tickets of \$2.01 or less (If proposed legislation is not approved)	If exemption of tax is on all tickets of \$12.99 or less for the first 42,500 paid admissions at each event (If proposed legislation is approved)	Estimated Additional Revenues to the City (If proposed legislation is not approved)
49ers	\$326,000	\$326,000	0
Giants	<u>875,000</u>	<u>6,761</u>	<u>\$868,239</u>
Total	\$1,201,000	\$332,761	\$868,239

Stadium Operator Admission Tax revenues are revenues to the General Fund. Therefore, approval of the proposed legislation would result in an estimated loss of revenue to the General Fund of approximately \$868,239.

Recommendations

(1) Providing for an exemption of the \$0.50 Stadium Operator Admission Tax on all tickets prices at \$12.99 or less for the first 42,500 paid admissions at each event, which would result in an estimated loss of revenue to the General Fund of approximately \$868,239, is a policy matter for the Board of Supervisors.

(2) If the legislation is approved, the proposed ordinance should be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.



Item 10 - File 28-92-4

**Department:** Airport

**Item:** Resolution approving a declaration of emergency water main repairs at the intersection of McDonnell Road and Roadway R-6, Airport Contract No. 3126.

**Amount:** \$140,000

**Source of Funds:** Airport Maintenance Operating Fund

**Description:** The Airport reports that on January 31, 1992, a major valve on one of the Airport's two primary water mains at the intersection of McDonnell Road and Roadway R-6 failed, causing a shut-down of half of the Airport's water supply. The Airport advises that following this initial damage to the water main valve, the Airport determined that due to the recent rainstorms, the earth surrounding the water main had become unstable, causing extensive damage to the water main itself.

The Airport formally declared that an emergency condition existed due to the damaged water main on February 3, 1992.

Mr. Ruben Halili of the Airport advises that the Airport, in accordance with Section 6.30 of the Administrative Code, used expedited procedures to issue an Invitation for Bids for the necessary construction work required for the repair of the damaged water main. The construction contract was awarded to Mendelian Construction Inc. Mendelian Construction is currently neither a certified MBE or WBE. However, Mr. Halili advises that Mendelian Construction, Inc. has recently submitted an application requesting certification as a MBE to the Human Rights Commission. Mr. Halili reports that the repair work was completed on March 31, 1992. Total cost of the construction work was \$143,898.

**Comment:** The proposed legislation includes an amount of \$140,000 for the emergency repair work. As noted above, the actual cost of the construction work was \$143,898. Therefore, the proposed legislation should be amended to include an amount of \$143,898 instead of \$140,000.

**Recommendation:** Amend the proposed resolution to include an amount of \$143,898 instead of \$140,000 and approve the proposed resolution as amended.





Item 11 - File 31-92-2

**Department:** Superior Court

**Item:** Resolution approving the immediate filling of a vacant position.

**Position:** 0650 Traffic Hearing Officer, Juvenile Division

**Retirement Date:** March 27, 1992

**Normal Refill Date:** September 21, 1992

**Funding Needed:** \$14,170 through June 30, 1992

**Proposed Funding Source:** Excess Salary Savings

**Description:** Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

**Comments:**

1. The Traffic Hearing Officer retired on March 27, 1992, and was paid for 1,000 hours of vested sick leave and vacation (hourly rate of approximately \$26.44), at a total cost of \$26,440, including \$14,170 of funding through the end of FY 1991-92, which prevents the refilling of this position until September 21, 1992, unless the proposed resolution is approved. According to Ms. Kate Harrison of the Superior Court, the Traffic Hearing Officer is covered under the City's Proposition A early retirement offer, and therefore received the "3+3" benefits.
2. Proposition A, approved by the voters in November 1991, offered City employees incentives to retire early, and the Proposition A Review Committee is in the process of determining which of these positions are considered "mandated positions," and which of these positions need to be backfilled. In addition, the Proposition A Committee is in the process of recommending to the Mayor's Office to abolish at least 500 or 50 percent of the vacated positions, whichever is greater, from the City's budget.

3. As noted above, the Traffic Hearing Officer is covered under the City's retirement system. However, as noted in a City Attorney opinion dated March 9, 1992, "positions that are vacated as a result of the early retirement of (Superior) court personnel will not be subject to the procedures set forth in Proposition A." According to the City Attorney, the number, types and salary level of each Court position and the method by which these matters are determined are governed by State law. Therefore, according to the City Attorney, although the Court employees are covered under the City's health and retirement service systems, and can take advantage of the 3+3 benefits, the State has the constitutional authority to determine the number of positions provided to the Courts, and the City has no authority by Charter amendment to override the State's authority. The Proposition A Review Committee, therefore, will not make a recommendation on whether the Traffic Hearing Officer position is a "mandated position," and the \$3 million in General Fund monies previously appropriated by the Board of Supervisors does not apply to the proposed immediate filling of the Traffic Hearing Officer. It should be noted, however, that the Board of Supervisors may conclude during the annual review of the Court's budget that if a position is not necessary, then the position can be eliminated.

4. The Superior Court reports that the Traffic Hearing Officer independently manages the daily Juvenile Traffic Court calendar which includes juvenile traffic, graffiti and infraction cases. In addition, the Superior Court indicates that failure to hear these matters on a daily basis will result in dismissal of juvenile traffic, graffiti and infractions cases, loss of revenues through fines, and the loss of graffiti abatement by juveniles who are now ordered to perform this community service. Ms. Harrison reports that there is only one Traffic Hearing Officer in the Superior Court. Ms. Harrison also reports that there were a total of 27 positions which were vacated as a result of early retirement within the Superior Court, including the Executive Officer. However, the Superior Court only anticipates requesting the immediate filling of the one position of Traffic Hearing Officer under this proposed resolution according to Ms. Harrison.

5. According to Ms. Harrison, the Superior Court is currently contracting with an attorney to perform the Traffic Hearing Officer duties at an average hourly rate of \$40, which includes an assumed benefit rate. Ms. Harrison reports that this contract is being funded with existing budgeted funds for fees and compensation. On an annual basis, this contract would cost the Court approximately \$83,200 (assuming 2,080 total hours annually). However, the

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individual currently performing the duties under contract would not be available on a long term basis. Ms. Harrison reports that the Department is unable to reallocate existing positions and therefore needs this Traffic Hearing Officer position to be backfilled. Ms. Harrison reports that the annual salary of the 0650 Traffic Hearing Officer is approximately \$59,867 including fringe benefits, which is less expensive than the existing contract arrangement. The source of funds for the Traffic Hearing Officer is the General Fund.

**Recommendation:** Given that the Superior Court has only one Traffic Hearing Officer position, we recommend approval of the proposed resolution, which would authorize the Superior Court to immediately fill this position.



Item 12 - File 101-90-94.1

**Department:** Department of Public Works (DPW)  
Clean Water program (CWP)

**Item:** Release of reserved funds for construction services for modification to the Westside Pump Station Facilities.

**Amount:** \$600,000

**Description:** The Board of Supervisors previously approved Ordinance No. 177-91 (File 101-90-94) appropriating \$74,576,242 for continued construction of the Oceanside Water Pollution Control Plant, which is located adjacent to the San Francisco Zoo. \$600,000 of the \$74,576,242 appropriation was placed on reserve, pending selection of the firm for construction work on the existing Westside Pump Station Facilities. That construction work is necessary to redirect sewage flows now being pumped to the existing Richmond Sunset Treatment Plant to the new Oceanside Plant.

DPW received a total of five bids in response to its Invitation for Bids to perform the construction work. The bids were opened on February 19, 1992. A listing of the bidders, with bid amounts and MBE/WBE status of the contractors are shown below:

<u>Firm</u>	<u>Amount of Bid</u>	<u>MBE/WBE Status</u>
E. Mitchell, Inc.	\$578,500	WBE
Millard Tong Construction Co.	669,391	MBE
Homer J. Olsen, Inc.	692,600	None
Echo West Inc.	694,500	MBE
Amelco/Monarch, a Joint Venture	736,798	MBE Joint Venture

The City Engineer's estimate for the construction work was \$709,000. DPW selected E. Mitchell, Inc., on the basis of its low bid. E. Mitchell, Inc., is a WBE firm, certified as such by the Human rights Commission. The Human Rights Commission, based on its review of the affirmative action submittals from E. Mitchell, Inc., has determined that 13% of the contract work would be subcontracted to MBE firms

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and 87% of the contract is committed to WBE firms, including the portion of the work retained by E. Mitchell, Inc. A listing of the subcontractors selected by E. Mitchell, Inc., to perform work valued at \$401,808 on the Westside Pump Station Project is as follows (E. Mitchell would perform approximately 30.6 percent of the total construction contract amount of \$578,500, or approximately \$176,692):

<u>Firm</u>	<u>Type of Work</u>	<u>Contract Amount</u>	<u>MBE/WBE Status</u>
Rosas Construction Company	General Engineering	\$70,000	MBE
Jenkins Trucking	Trucking	2,500	MBE
Vickers Concrete Sawing	Concrete Sawing	<u>3,000</u>	MBE
Subtotal – MBE Subcontracts		\$75,500	
Mayer Electric Co., Inc.	Electrical	321,908	WBE
Apex Sheet Metal Works	Sheet Metal	<u>4,400</u>	None
Total		\$401,808	

**Comments:**

1. The Clean Water Program has established a total budget for the Westside Pump Station Project in the amount of \$729,649, as shown in the Attachment.
2. The \$600,000 amount reserved was the original estimate for the Westside Pump Station Project. However, according to Mr. Don Munakata of DPW's Bureau of Engineering, the Project Manager, additional electrical and instrumentation and control work increased the final project budget to \$729,649. The \$129,649 variance between the current estimate of \$729,649 and the previous estimate of \$600,000 is due to the following factors:

<u>Work Element</u>	<u>Original Estimate</u>	<u>Current Estimate</u>	<u>Amount of Variance</u>	<u>Percent of Variance</u>
Construction	\$500,000	\$578,500 *	\$78,500	15.7
Non-Construction**	50,000	93,299	43,299	86.6
Contingency	<u>50,000</u>	<u>57,850</u>	<u>7,850</u>	15.7
Totals	\$600,000	\$729,649	\$129,649	

\* Actual bid.

\*\* Primarily on-site inspections and special inspections to be performed by City inspectors and contractors.

3. Mr. Munakata reports that the large variance of 86.6 percent in the non-construction work element shown above is due to the increased number of on-site inspections and special inspections required for the additional electrical, and instrumentation and control work.

4. Mr. Munakata reports that the Clean Water Program has sufficient contingency monies available in the appropriation approved by Ordinance No. 177-91 in the amount of \$74,576,242 to cover the additional costs.

**Recommendation:** Approve the release of \$600,000 of reserved funds.

SAN FRANCISCO CLEAN WATER ENTERPRISE  
CONSULTANT AND FORCE ACCOUNT MATRIX  
JOB 1217N: WESTSIDE INTERLACE  
MOD # OPEN

TASK	DESCRIPTION	BOE E/A	BCN E/A	TBO E/A	CITY ATTORNEY	TOTAL NONCONSTRUCT	CONSTRUCTION CONTINGENCY	TOTAL PROJECT
<b>PROJECT MANAGEMENT</b>								
AD	Project Management	4,446	1,873			6,319		6,319
AE	A/E Claims					0		0
BE	Environmental Functions					0		0
DE	Archolog. & Hist. Mitigation					0		0
EC	Permits & Approvals					0		0
EF	Permit Fees					0		0
GC	Public Participation					0		0
IC	Consultant Biring					0		0
IF	Contract Administration					0		0
JC	Scheduling & Monitoring					0		0
JF	Construction Cost Analysis					0		0
KF	Indelible Legal Services				2,000	2,000		2,000
PC	Affirmative Action					0		0
QG	Grants Administration					0		0
QI	Grant Appeals					0		0
QL	Auditing					0		0
<b>FIELD SERVICES</b>								
RA	Co-Site Inspection		32,851			32,851		32,851
RC	Progress Payments		1,509			1,509		1,509
RD	Material Testing		1,997			1,997		1,997
RE	Change Orders	2,110	12,633			14,743		14,743
RL	Controls Surveying	2,110	3,016			5,126		5,126
RM	Construction Document. Surveys					0		0
RN	Specialized Inspection	9,153		2,000		11,153		11,153
RO	Utility Liaison					0		0
RP	Construction Claims					0	578,500	578,500
RQ	Post-Construction Claims					0		0
RS	Warranty Work		3,016			3,016		3,016
RT	Project Close-Out		3,016			3,016		3,016
<b>DESIGN SERVICES</b>								
SC	Record Drawings					0		0
SK	Shop Drawing Review	864				864		864
SP	Devaltering & Shoring	8,823				8,823		8,823
SO	Geotechnical					0		0
SQ	Relocation					0		0
SR	Other Step 3 Services					0		0
<b>FACILITY START-UP</b>								
TA	O & M Manual	1,882				1,882		1,882
TE	Plan of Operation					0		0
TF	Operator Training					0		0
UA	Facility Start-up					0		0
UE	NO-TASK					0		0
<b>TOTAL</b>		\$29,388	\$59,911	\$2,000	\$2,000	\$93,299	\$578,500	\$729,649

Item 13 - File 161-91-5

**Note:** This item was continued from the April 1, 1992 Finance Committee Meeting.

**Description:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1991-92; the issuance of tax allocations bonds in an amount not to exceed \$1 million; increase the Agency's annual statement of indebtedness by \$100,000 for Fiscal Year 1991-92; and an amendment to the Indebtedness Limitation Agreement.

**Description:** In response to requests on the part of the 24th Street Revitalization Committee, a committee of 24th Street merchants, City officials, and community agencies, the SFRA is requesting authorization to amend its budget to permit the expenditure of an additional \$1 million for economic development activities on 24th Street between Mission Street and Potrero Avenue. The 24th Street Revitalization Committee originally requested over \$2 million for economic development activities. However, SFRA approved only \$1 million. The proposed economic development activities would include the following:

Property Acquisition (Community Development Investment Fund)	\$720,000
Working Capital Loan Fund	240,000
Public Space/Street Improvements	<u>40,000</u>
Total	\$1,000,000

SFRA proposes to use tax increment funds included in their 1989-90 budget, but never previously expended, to support the 24th Street project. However, 24th Street between Mission and Potrero is outside of the SFRA's program areas, and any tax increment monies spent by redevelopment agencies outside of their program areas, according to State law governing tax increment funds, must support affordable housing, not economic development. To avoid this restriction, if the proposed resolution were approved, \$1 million would be transferred to the Office of Housing and Community Development (HCD), a division of the Mayor's Office of Economic Planning and Development. This \$1 million would be used to support affordable housing programs at HCD. In turn, HCD would transfer \$1 million to SFRA to be used for economic development on 24th Street. In order to recoup the

\$1 million from existing funds transferred to HCD, SFRA is requesting authorization to issue tax allocation bonds in an amount not to exceed \$1 million.

**Comments:**

1. The Community Development Investment Fund, at \$720,000, would include the establishment of a fund to assist local non-profit organizations to acquire property for commercial development. The purpose of the program would be to enhance the physical character and commercial market potential of the 24th Street corridor. Grants of up to \$250,000 would be awarded to eligible non-profit organizations based on the demonstration of the feasibility of their proposed projects, and the availability of additional funds to support their projects. The recipient of such grants would be required to use the grant for the site acquisition project approved by SFRA and HCD. Recipients would be required to create jobs for low and moderate income people. A minimum of 51 percent of any jobs created through such development would be provided to low and moderate income persons.

2. The Working Capital Loan Fund, at \$240,000, would establish a revolving loan fund to provide loans of up to \$50,000 for working capital, equipment, fixtures, and improvements primarily to retail businesses reliant on 24th Street pedestrian traffic. The proposed \$240,000 Working Capital Loan Fund would provide loan guarantees to financial institutions that provide loans to eligible businesses.

The Finance Committee is currently considering a resolution, Item 6, File 183-92-2 of this report to the Finance Committee, that would authorize the transfer of \$1.8 million from the Urban Development Action Grant Revolving Loan Fund into an Enterprise Zone Working Capital Loan Guarantee Program. This Enterprise Zone Working Capital Loan Guarantee Program would provide a loan guarantee to banks for working capital loans for businesses located within the Enterprise Zone area that want to establish working capital loans. The Enterprise Zone Working Capital Loan Guarantee Program, if approved, would be implemented in mid-May, 1992, Mr. Kent Sims of the Mayor's Office of Economic Planning and Development advises. 24th Street between Mission Street and Potrero Avenue is located within the Enterprise Zone, and therefore businesses would be eligible to apply for loans through the City's overall Enterprise Zone Working Capital Loan Guarantee Program. SFRA proposes to implement the \$240,000 Working Capital Loan Fund in addition to the \$1.8 million Enterprise Zone Working Capital Loan Guarantee Program. According to Mr. Sims, if \$240,000 is allocated to provide loans specifically

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to 24th Street merchants, such funds should be combined with the \$1.8 million Enterprise Zone Working Capital Loan Guarantee Program and designated as 24th Street funds, rather than establishing a separate fund. Mr. Sims advises that since guaranteed loan funds require the cooperation of private businesses, it would be much simpler to organize and administer a single fund. Also, Mr. Sims advises that a revolving fund established specifically for 24th Street may be duplicative if 24th Street businesses already have access to the City-wide loan guarantee funds.

3. The Street Improvements, at \$40,000, currently under consideration include (1) increased wattage of existing street lamps; (2) installation of trash receptacles on several street corners; and (3) brackets to be installed on existing street lamps in order to hang banners for future 24th Street programs.

4. This proposed program, which does not include staff, facade improvements, and other costs included in the 24th Street Revitalization Committee's original proposal, has been approved by the Redevelopment Agency Commission. However, the Mayor's Office of Economic Planning and Development, which would need to approve the proposed program before transferring the \$1 million to the Redevelopment Agency, has not yet approved the proposed program, Mr. Sims advises. Furthermore, according to Mr. Sims, until an economic development plan is completed for the Mission, it is difficult to determine whether the \$1 million proposed for 24th Street merchants could be better used to provide other services.

5. As noted above, SFRA proposes to use tax increment funds included in their 1989-90 budget, but never previously expended, to support the 24th Street project. Mr. Bob Gamble of SFRA advises that approximately \$7 million was budgeted for a housing development on six sites in Bayview/Hunters Point. According to Mr. Gamble, two of the sites have been built, and construction will begin on the remaining four in approximately one year.

6. An Indebtedness Limitation Agreement is a legal agreement developed by the City to limit the amount of tax increment backed bonds SFRA is authorized to issue in a given fiscal year and to limit the amount of tax increment revenues SFRA is able to claim each year. Such indebtedness accumulates from year to year. SFRA has been issuing tax increment bonds for three years; prior to that, SFRA received funds from various sources. (For a description of tax increment bonds, see Comment 10.)



7. The Board of Supervisors approved a cap of \$50 million in tax increment backed bonds in SFRA's fiscal year 1991-92 budget. However, that amount was not specifically written into the Indebtedness Limitation Agreement, and as of November, 1991, SFRA had sold \$56.9 million in bonds. As a result, in November 1991, the Board of Supervisors approved an increase of \$10 million in the Indebtedness Limitation Agreement, from \$50 million to \$60 million, with the understanding that SFRA would include the specific limit of \$60 million in the Indebtedness Limitation Agreement. According to the proposed resolution, the Indebtedness Limitation Agreement would need to be amended to reflect an increase in the \$60 million cap on bond issuance for the proposed \$1 million tax allocation bond issue. However, as noted above, SFRA has issued bonds totalling \$56.9 million, which should allow them to issue up to an additional \$3.1 million in bonds without amending the Indebtedness Limitation Agreement to increase the cap. As of the writing of this report, the Controller has not confirmed whether SFRA has reached the \$60 million cap on bond issuance.

8. Based on 30 year taxable bonds at 9.5 percent interest, to support the proposed \$1 million additional tax allocation bonds, according to the proposed resolution, SFRA would need \$101,680 each year, including the current year, to pay back the proposed bonds. To authorize such a payment, SFRA's Indebtedness Limitation Agreement would be amended under the proposed resolution to increase the tax increment revenues received by SFRA by \$100,000 in each year, including the current year, until repayment of the bonds. Mr. Gamble advises that SFRA has overclaimed the amount needed to pay back existing bonds in 1991-92 by approximately \$500,000. If this is the case, SFRA would not need to amend the Indebtedness Limitation Agreement this year to increase the tax increment revenues they are authorized to receive in order to proceed with the proposed bond issue. As of the writing of this report, the Controller has not confirmed that SFRA has overclaimed the amount needed to pay back existing bonds.

The title of the proposed resolution states that this \$100,000 would be an appropriation. However, this is incorrect, according to the text of the proposed resolution. The title of the proposed resolution should read "increase the Agency's annual state of Indebtedness for Fiscal Year 1991-92," not "appropriation of \$100,000."

9. The Mayor's Office does not need to approve the SFRA's budget or any amendment to SFRA's budget, such as the

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proposed resolution. However, the Mayor's Office would need to sign any revisions to the Indebtedness Limitation Agreement. As noted above, if SFRA has not reached its cap, either for the issuance of bonds or for tax increment revenues received, it would be unnecessary to amend the Indebtedness Limitation Agreement for 1991-92. However, Mr. Gamble advises that if an amendment to the Indebtedness Limitation Agreement is included in the proposed resolution, instead of only an amendment to SFRA's budget, the Mayor's Office would be included in the approval process.

10. Tax allocation bonds are the same as tax increment backed bonds. Tax increment funds are created as follows: when a redevelopment project area has been defined, the property tax revenue amount in that area is frozen. Any increases in property tax revenues after such a tax revenue freeze are considered attributable to redevelopment activities and dedicated to financing development-related costs in that area. Tax increment funds are usually used to repay tax increment backed bonds that are issued to finance redevelopment activities.

11. 87.5 percent of property tax revenue are revenue to the City's General Fund, so that any increase in SFRA's portion of property tax revenues through this type of financing results in a direct decrease to the City's General Fund revenue. The remaining property tax revenue is distributed as follows: San Francisco Community College District, at 1.3 percent; San Francisco Unified School District, at 7.5 percent; Bay Area Air Quality Management District, at .2 percent; and Bay Area Rapid Transit, at 3.5 percent. In this case, the annual cost would be \$101,680 every year for 30 years (or a total of \$3,050,400 in nominal dollars, and \$1,563,000 present value using a discount rate of five percent over 30 years), the amount required annually to repay the proposed bond, as noted above. The General Fund's portion, at 87.5 percent, would be \$88,970 per year in nominal dollars, or a total of \$2,669,100 in nominal dollars and \$1,367,625 in present value using a discount rate of five percent over 30 years. The property tax revenue to the agencies noted above would be reduced according to their percentage share.

12. As noted above, according to State Community Redevelopment Law, tax increment funds may not be expended for economic development outside of project areas. The purpose of tax increment funds is to benefit redevelopment project areas. This legislation is technically within the restrictions of the State Community Redevelopment Law because it transfers tax increment funds to HCD to be spent according to the Community Development

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law, while using replacement HCD funds for economic development outside SFRA project areas. However, it could be considered to circumvent the intent of the State Community Development law because the result of the proposed legislation would be to use SFRA tax increment funds to support economic development in a non-project area.

13. The Budget Analyst's Management Audit Report of the San Francisco Redevelopment Agency of January 1992, recommended that the Board of Supervisors should not approve any additional funds for SFRA economic development programs until the SFRA Commission adopts and submits to the Board of Supervisors a comprehensive implementation plan and the Mayor's Office of Economic Planning and Development established specific City-wide goals and objectives. According to Mr. Gamble, such a plan is in process, and will take approximately six months to complete.

According to Mr. Sims, the Mayor's Office of Economic Planning and Development anticipates developing a plan for economic development in the Mission, which would include neighborhood commercial economic guidelines. Mr. Sims advises that such a plan for Bayview/Hunters Point is nearing completion. The Mayor's Office of Economic Planning and Development will begin developing a plan for the Tenderloin and then the Mission after the Bayview plan is complete. Mr. Sims advises that the Mission plan is anticipated to be complete by the end of Summer, 1992. According to Mr. Sims, the Mayor's Office of Economic Planning and Development would prefer that approval of any economic development activities in the Mission be continued until after the completion of the Mayor's Office of Economic Planning and Development Mission plan.

14. The Budget Analyst recommends that the proposed legislation be continued until the Mayor's Office of Economic Planning and Development completes its economic development plan for the Mission. If the Board of Supervisors does not continue the proposed legislation, the following issues should be considered: (1) the Mayor's Office of Economic Planning and Development, which would need to approve the proposed program before transferring the \$1 million to the Redevelopment Agency, has not yet approved the proposed program; (2) the proposed bonds would support economic development programs while the Redevelopment Commission has still not adopted and has not submitted to the Board of Supervisors, for approval, a comprehensive implementation plan and the Mayor's Office of Economic Planning and Development has not established specific City-

wide goals and objectives; (3) \$240,000 would support a revolving loan fund for 24th Street alone, when a \$1.8 million revolving loan fund has been proposed for the entire Enterprise Zone, of which the Mission's 24th Street is a part; (4) the proposed resolution would require a 30 year commitment of \$88,970 per year in General Fund monies, or a total of \$2,669,100 in nominal dollars and \$1,367,625 in present value using a discount rate of five percent over 30 years; and (5) the proposed project is outside of SFRA's project areas, and therefore circumvents the intent of State Community Redevelopment Law.

- Recommendations:**
1. Continue the proposed resolution until the Mayor's Office of Economic Planning and Development completes its economic development plan for the Mission.
  2. If the Board of Supervisors approves the proposed resolution, the title should be amended to read "increase the Agency's annual state of indebtedness by \$100,000 for Fiscal Year 1991-92," not "an appropriation of \$100,000 for Fiscal Year 1991-92."





Item 14 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of March 25, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:



PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988	1993	CHANGE
	INDUSTRIES	Sectors INDUSTRIES Sectors	
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION		15,400 14,700	(700)
MANUFACTURING	41,400	38,800	(2,600)
Non-durable	32,900	31,600	(1,300)
Food		5,700 4,900	(800)
Apparel		12,800 12,900	100
Printing/Publish		10,300 10,500	200
Other		4,100 3,300	(800)
Durable	8,500	7,200	(1,300)
Metals		1,800 1,300	(500)
Transp. Equip.		1,800 1,100	(700)
Other		4,900 4,800	(100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation		20,600 21,600	1,000
Communication/Utilities		19,300 17,400	(1,900)
WHOLESALE TRADE		31,600 30,500	(1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores		8,100 8,000	(100)
Food stores		8,600 9,600	1,000
Apparel stores		7,800 8,100	300
Restaurants & bars		32,400 33,200	800
Other		20,900 22,500	1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance		47,400 46,000	(1,400)
Insurance/Real Estate		30,300 29,600	(700)
SERVICES	186,600	207,800	21,200
Hotel services		17,000 19,600	2,600
Business services		47,000 55,200	8,200
Health services		25,000 25,700	700
Legal services		19,200 23,500	4,300
Social services		20,400 21,700	1,300
Engineer, Architect, Mgmt		28,200 30,200	2,000
Other		29,800 31,900	2,100
GOVERNMENT	90,200	91,700	1,500
Federal		29,500 27,000	(2,500)
State and Local		60,700 64,700	4,000
		560,600 579,500	

Table 2

PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.70) (3.70)
MANUFACTURING	(6.28)	(13.76)
Non-durable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.05)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.15
Hotel services	15.29	13.76
Business services	17.45	43.39
Health services	2.80	3.70
Legal services	22.40	22.75
Social services	6.37	6.88
Engineer, Architect, Mgmt	7.09	10.58
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.16
	78	100.0 100.0

The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (579,500 less 560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

Manufacturing Industry. The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

Services Industry. The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

Labor Supply and Growth Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national

average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.



Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

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Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,

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resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against

interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on



JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members has recently reviewed and held hearings regarding changes to the Commission. On March 25, 1992 the Small Business Advisory Commission recommended to amend the San Francisco Administrative Code, Article XIII, to eliminate the Small Business Advisory Commission and instead to establish an overall Business Advisory Commission. Such changes would require approval of the Board of Supervisors and the Small Business Advisory Commission is urging the Mayor to seek adoption of such legislation by the Board of Supervisors. The proposed new Commission would incorporate both large and small, downtown and neighborhood business interests and would increase the number of commissioners from 11 to 15 members. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is nearing completion, will focus on the Bayview and Hunters Point neighborhood. Economic development plans for the Tenderloin and the Mission are anticipated to be conducted next.

Employment Impacts. The Budget Analyst has analyzed the employment impacts on the San Francisco Bay Area of an additional \$1 billion of grant or bond funds to the City. The following two charts reflect the number of direct jobs and the total number of direct and indirect jobs that could be expected to result:

<u>Direct Employment</u>	<u>Number of Direct Jobs Per \$1 Billion</u>	<u>Number of Direct and Indirect Jobs Per \$1 Billion</u>
Construction - Non-residential	9,367	11,709
Construction - Highways and Public Utilities	10,633	12,653
Maintenance and Repair	<u>6,800</u>	<u>8,500</u>
Total	26,800	32,862

As reflected above, assuming that a total of an additional \$1 billion of grant or bond funds were equally distributed among the above three construction and maintenance sectors of the economy, it is estimated that 26,800 additional direct jobs would be created. Overall, a total of 32,862 direct and indirect jobs would be created if an additional \$1 billion of grant or bond funds were approved by the City.

These estimates are based on the Association of Bay Area Governments (ABAG) Input-Output Model which reflects the impact on the San Francisco Bay Area, which includes the surrounding counties. The impact on San Francisco would be less, although the precise impact on San Francisco cannot be determined. It is also assumed that the jobs created within each of these industries are new jobs and not relocations from other jobs and that all purchases by businesses would come from enterprises within the Bay Area.

General Obligation Bonds. The attached information, prepared by the Office of the Chief Administrative Officer, pertains to the amount of General Obligation bond measures that have been approved by the San Francisco voters, the amount of bonds issued by the City to date, the remaining amount not yet issued and the amount of the four proposed bond measures for the June, 1992 ballot. As reflected in the attachment, since 1986, the voters of San Francisco have approved \$753.3 million of General Obligation bonds. To date, a total of \$390,597,849 of these \$753.3 million of approved bonds have not yet been issued. In addition, another \$148,220,000 for four General Obligation bonds are on the June 2, 1992 ballot. If all four of these bond measures are approved in June, 1992, it would result in a total of \$538.8 million of outstanding bonds to be issued.

Based on \$538.8 million of outstanding bonds, using the same ABAG Input-Output Model as above, the Budget Analyst projects this would result in an additional 14,440 direct jobs and an overall total of 17,706 direct and indirect jobs for the San Francisco Bay Area.

## General Obligation Bond Elections

Date	Purpose	Amount Authorized	Amount Issued	Less FEMA Funds	Amount Remaining Unissued
4-Nov-86	Fire Protection System Improvements	46,200,000	46,200,000		
3-Nov-87	Police Department Facilities	28,000,000	21,900,000		6,100,000
3-Nov-87	Street and Safety Improvements	27,000,000	27,000,000		
3-Nov-87	SF General Hospital Mental Health Facility	26,000,000	26,000,000		
3-Nov-87	Recreation and Park Facilities	18,000,000	18,000,000		
7-Jun-88	Public School Facilities	90,000,000	90,000,000		
8-Nov-88	Library Facilities	109,500,000	25,000,000		84,500,000
7-Nov-89	Public Safety Improvements (ESP I)	59,700,000	27,000,000		32,700,000
5-Jun-90	Public Safety Improvements (ESP II)	332,400,000	49,500,000	15,602,151	267,297,849
6-Nov-90	Correctional Facilities	16,500,000	16,500,000		

## btotal To Date

753,300,000

347,100,000

15,602,151

390,597,849

2-Jun-92	Civic Center Garage Expansion	24,000,000			24,000,000
2-Jun-92	Civic Center Heating System	21,220,000			21,220,000
2-Jun-92	Civic Center Plaza Improvements	26,700,000			26,700,000
2-Jun-92	Golden Gate Park Improvements	76,300,000			76,300,000

## Proposed Bonds

148,220,000

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148,220,000

901,520,000

347,100,000

15,602,151

538,817,849





Item 15 - File 212-92-1

This proposed item is a hearing to consider the financial expenditures for the removal and relocation of the Pioneer Monument for the new Main Library.

In order to accommodate the construction of the new Main Library, the Pioneer Monument, located at the corner of Grove Street and Hyde Street, will be relocated. The relocation site, as approved by the Arts Commission, is Fulton Street, between Larkin Street and Hyde Street. According to Mr. Russ Abel of the DPW's Bureau of Architecture, the estimated costs for relocation are approximately \$750,000. Mr. Abel reports that these relocation costs would not be financed through bond funds, but rather through donations from the Library Foundation of San Francisco. Mr. Abel indicates that the construction management firm for the new Main Library, O'Brien Krietzberg, had initially estimated the relocation costs at approximately \$175,000. However, Mr. Abel explains that this cost estimate was a preliminary estimate which did not account for several associated relocation costs, such as landscaping and support structures at the new site.

Mr. Abel reports that the relocation of the Pioneer Monument was included as part of the Environmental Impact Report (EIR) which has been available for public evaluation. This EIR was certified by the Planning Commission on February 27, 1992, the findings were approved by the Arts Commission on April 6, 1992 and by the Library Commission on April 17, 1992. The Board of Supervisors have not yet approved the findings of the EIR. As noted in the EIR, the Pioneer Monument is not a contributing element to the landmark district (Civic Center). Therefore, its relocation would not have a significant negative impact on the environment. Another alternative included in the EIR was retaining the Monument in its existing location. This alternative was estimated at \$4 million, versus \$750,000 for the relocation costs. Mr. Abel also reports that this \$4 million estimate includes additional architect fees to redesign the new Main Library, and also increased project costs due to delays resulting from redesigning the new Main Library to accommodate the Pioneer Monument in its existing location. The groundbreaking for the new Main Library is scheduled for April 23, 1992. According to Mr. Kenneth Dowlin of the Public Library, the relocation of the Pioneer Library would be completed as part of the construction phase of the new Main Library, which is scheduled to begin in approximately December, 1992.

As reflected on the Finance Committee calendar for April 22, 1992, it is the intention of the Chair to continue this item until May 6, 1992.

Recommendation

Continue this item as requested by the Chair.



April 22, 1992

Item 16 - File 21-92-1

**Note:** The following item was rereferred to the Finance Committee at the Board of Supervisors meeting of April 13, 1992.

1. The proposed resolution would adopt and impose schedules of sewer service and industrial cost recovery charges to be paid by users for fiscal year 1992-93 pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code). The attached Budget Analyst's report of April 10, 1992, previously transmitted to the Board of Supervisors, analyzes the Chief Administrative Officer's (CAO's) proposed sewer service charge increases, which supports the costs of the City's Clean Water Program (CWP), for FY 1992-93.

2. As noted in the attached Budget Analyst's report, the proposed sewer service rate increases were to be implemented on April 15, 1992. However, the DPW has revised its estimates assuming that the rate increase would not take effect until May 15, 1992. The DPW estimates that delaying the proposed rate increase until May 15, 1992 would reduce the projected carryforward at the end of fiscal year 1991-92 to approximately \$6.0 million rather than a \$7.3 million carryforward as originally projected. However, the originally proposed sewer service charge rate increase of 21% for all residential users and 23% for all commercial and industrial users is still being proposed. Below is a summary of these rates:

<u>Type of Customers</u>	<u>Average Monthly Amount of Water Used</u>	<u>Current 1991-92 Monthly** Sewer Service Charges</u>	<u>Proposed 1992-93 Monthly** Sewer Charges</u>	<u>Monthly Increase</u>
Apartment Units	3.98 units*	\$ 7.00	\$8.41	\$1.41
Single Family Dwellings	5.60 units	12.07	14.70	2.63
All Residential Users	4.57 units	8.85	10.70	1.85

\* One unit equals 100 cubic feet of water or 748 gallons.

\*\* Bills are currently issued on a bi-monthly basis.

3. As noted in Attachment I, page (-7-) of the Budget Analyst's report, in each fiscal year from 1991-92 through 1996-97, an ending surplus is projected for the CWP. According to Mr. Robert Hesse of the DPW, these surplus funds, which are carried forward from the end of each fiscal year to the beginning of the next fiscal year, are necessary for the City to maintain minimum required debt coverage ratios and to provide prudent reserves to meet revenue shortfalls or unanticipated costs. However, the projected five-year budgets outlined in Attachment I would provide the Clean Water Enterprise Fund with carryforward surplus funds which are in excess of the required minimum debt ratios. The following table is a comparison of the average sewer service charge rate increases which would be required, assuming a surplus balance necessary only to meet the

minimum debt ratios, versus the proposed average sewer service charge rate increases to all residential users, with an excess of the minimum debt requirements, as outlined on Attachment I, wherein surplus balances, exceeding the minimum requirements as recommended by the CAO, are used:

<u>Fiscal Year</u>	Average Monthly Rate Increases Using Surplus to Meet Minimum Debt Requirements	Percent Increase in Sewer Service Charge Rate	CAO's Recommended Average Monthly Rate Increase	
			Using Surplus in Excess of the Minimum Debt Requirements	Percent Increase in Sewer Service Charge Rate
1992-93	\$10.62	20.00%	\$10.70	21.00%
1993-94	\$12.80	20.50%	\$12.95	21.00%
1994-95	\$14.91	16.50%	\$14.73	13.75%
1995-96	\$16.03	7.50%	\$16.09	9.20%
1996-97	\$16.71	4.25%	\$16.65	3.50%

As noted above for fiscal years 1992-93, 1993-94 and 1995-96, the use of surplus only to meet minimum requirements would result in reduced rates. However, the rates for FY 1994-95 and FY 1996-97 would then be slightly more than the CAO's recommended rate increases for those two fiscal years.

4. The above-listed rates recommended by the CAO anticipate debt requirements for new capital projects over the next five years that will cost \$445 million, with \$41 million of that amount to be financed from State loans, and \$135 million in bonds which would require voter approval, which are anticipated to be issued during FY 1993-94 and FY 1994-95. Mr. Hesse reports that these \$135 million in estimated capital projects are not required in order to provide compliance with Federal and State guidelines, and therefore would need voter approval. Although the DPW reports that these additional capital projects totaling \$310 million (\$445 million less \$135 million in non-required projects subject to voter approval) are required in order for the City to improve its sewerage treatment to comply with State and Federal guidelines, the Budget Analyst has not made a detailed analysis of the proposed capital projects, the funding requirements, and the justifications related to how these proposed projects will be needed to provide compliance with Federal and State guidelines.

5. At the same time that the CAO is proposing, based on his projected needs of the CWP, to increase its FY 1992-93 budget by approximately 19.5%, or approximately \$21.1 million to \$129.3 million over the 1991-92 budget of \$108.2 million, the Mayor's Office has requested that most City departments submit a reduced 18 percent proposed budget for fiscal year 1992-93, given the City's recent \$139.2 to \$148.2 million projected shortfall. Although the Clean Water Enterprise Fund is largely funded through sewer service charge revenues, and not General Fund revenues, nevertheless, sewer service charges are paid for by the City's taxpayers.



6. If the CWP reduced its Operations and Maintenance expenditures (excluding Debt Service and Repair and Replacement) by 18 percent of the adjusted FY 1991-92 Operations and Maintenance expenditures of \$59,338,000 (as noted on Attachment II) to approximately \$51,684,160 (excluding a deduction for an additional approximate \$3,027,000 which is estimated for salary standardization), the resulting average monthly charge in residential sewer services charge rates would decrease from \$10.70 to approximately \$9.37. This results in an average increase of approximately 5.9 percent, instead of the proposed 21 percent increase for residential users. These new rates assume that the CWP meets its minimum debt requirements instead of maintaining the surplus balances requested in excess of the minimum debt requirements as has been recommended by the CAO. Mr. Hesse reports that the Clean Water Enterprise Fund must continue to receive adequate funds to ensure compliance with various State and Federal regulations or otherwise the City may face fines for non-compliance. Therefore, according to Mr. Hesse, a decrease in the Operations and Maintenance budget may not be feasible.

### Summary

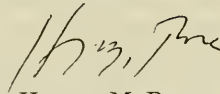
The CAO's recommended FY 1992-93 budgeted expenditures for the Clean Water Program represent an approximate 19.5 percent increase over FY 1991-92. The Board of Supervisors and the Budget Analyst have not yet been provided with the Mayor's final recommended FY 1992-93 Clean Water Enterprise budget. The CAO is requesting that the increase in sewer service charge rates take effect immediately. In addition, the DPW reports that additional capital projects are required in order for the City to improve its sewerage treatment to comply with State and Federal guidelines. However, the Budget Analyst has not made a detailed analysis of the proposed capital projects, funding requirements, and justifications of the necessity for all of the proposed projects relating to their compliance with Federal and State guidelines. If the Clean Water Enterprise Fund reduced its Operations and Maintenance expenditures and maintained reduced surplus balances, this could result in lower sewer service charges for residential and commercial and industrial users.

However, in addition to the Budget Analyst's annual budget review, which is pending the submission of the Mayor's final recommended FY 1992-93 budget, a detailed comprehensive management audit of the entire Clean Water Program operations, including an analysis of the proposed capital projects, and an analysis of the number and responsibilities of the administrative staff and other positions and related expenses utilized under the Clean Water Program, would be required in order to determine the ongoing justification for significant sewer service charge rate increases requested for approval by the Board of Supervisors. Therefore, the Budget Analyst believes approval of the proposed 21% to 23% increases in sewer service charge rates for fiscal year 1992-93 to the residential and to the commercial and industrial users respectively is a policy matter for the Board of Supervisors.



**Recommendation**

Approval of the proposed resolution is a policy matter for the Board of Supervisors for the reasons cited in the summary above.



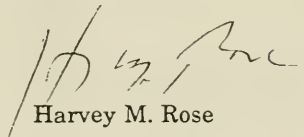
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board

Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors for the reasons cited in the summary above.



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**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 10, 1992

**TO:** Each Member of the Board

**FROM:** Budget Analyst

**SUBJECT:** Proposed Resolution Adopting Schedules of 1992-93 Sewer Service Charge Rates (April 13, 1992 Board Calendar, Item 18a - File 21-92-1).

1. The proposed resolution would adopt and impose schedules of sewer service and industrial cost recovery charges to be paid by users for fiscal year 1992-93 pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code).

2. The Chief Administrative Officer (CAO) has submitted the Clean Water Enterprise Fund five-year revenue plan for 1992-93 through 1996-97 for the Department of Public Works (DPW) and the Clean Water Program (CWP). The proposed resolution would continue the Clean Water Enterprise Fund as a Public Service Enterprise Fund. In order to meet accounting and auditing standards, CWP monies must be accounted for through Public Service Enterprise Fund accounting methods.

3. As shown in Attachment I, the CAO is proposing that sewer service charge rates for residential users be increased by an average of 21% for fiscal year 1992-93. The increase in sewer service charges was 22% for fiscal year 1991-92. Attachment I shows the projected changes in the Clean Water Enterprise budget over the next five years. The CAO is also proposing a 23% rate increase for commercial and industrial users for fiscal year 1992-93. The proposed increase in rates would become effective on April 15, 1992 or as soon as possible thereafter.

4. Although there was normal rainfall during fiscal year 1991-92, the Water Department is reporting that given that there were previously five consecutive years of below normal rainfall, a system-wide water shortage still exists. The water shortage affects the Clean Water Enterprise Fund because sewer service charges are directly based on water consumption and discharge. Because most of the costs of the City's Clean Water Program are fixed and cannot be reduced, a reduction in water consumption without an increase in rates results in overall reduced revenues for the Clean Water Program. The CAO is therefore reporting that it is necessary to increase the sewer service charge rates to become effective immediately in order to maintain the operating costs of the system because water usage in the current fiscal year is still decreasing. The CAO is also reporting that the proposed rate increase is based on the assumption that water consumption next year will be the same as in the current year (approximately 80% of the pre-drought 1987 consumption level). In addition, The CAO indicates that much of the change in consumption is due to permanent changes in plumbing and landscaping, so a return to pre-drought consumption levels is unlikely in the next few years. Attachment I shows the projected changes in the Clean Water Enterprise budget over the next five years.

5. The sewer service charge for each customer depends on the amount of water used. All residential customers pay the same rates per unit of water discharged. On average, single family dwellings have higher water usage and therefore have higher charges than apartment units. The average usage and monthly charges paid by various San Francisco residential customers are as follows:

Type of Customers	Average Monthly Amount of Water Used	Current 1991-92 Monthly** Sewer Service Charges	Proposed 1992-93 Monthly** Sewer Charges	Monthly Increase
Apartment Units	3.98 units*	\$ 7.00	\$8.41	\$1.41
Single Family Dwellings	5.60 units	12.07	14.70	2.63
All Residential Users	4.57 units	8.85	10.70	1.85

\* One unit equals 100 cubic feet of water or 748 gallons.

\*\* Bills are currently issued on a bi-monthly basis.

6. Attachment III shows the proposed monthly sewer bills, based on various levels of average daily water usage, for residential and commercial/industrial users. DPW charges a lower per unit rate (lifeline rate) for the first 75 gallons of water used per day per residence. Beyond that level of daily usage, a higher rate is charged. As shown above, the average 1992-93 sewer service charges for all residential users would be \$10.70 monthly or a total of

\$128.40 annually. This would be an annual increase of \$22.20 or approximately 21% from the 1991-92 charges of \$8.85 monthly or a total of \$106.20 annually.

7. Attachment III also shows that the proposed sewer service charge rates for commercial/industrial users are higher than the rates for residential users. The proposed sewer service charge rates for commercial and industrial customers are higher than those for residential customers because (1) commercial and industrial users do not have a lifeline rate and (2) the sewage discharge by these commercial and industrial users has proved to be more costly to process than residential sewage due to required pretreatment and testing.

8. On April 23, 1991, the Public Utilities Commission (PUC) adopted a revised Water Conservation Plan in San Francisco. The plan has established a conservation target of approximately 86.2% of the 1987 consumption level (or approximately 13.8% conservation). The Water Department reports that this water conservation plan is still in effect. Although this conservation plan applies only to water usage, as noted earlier, sewer service charges are directly based on water consumption and discharge. The CAO reports that the public has used less than the allotments available under this conservation plan, and therefore the proposed rate increases are based on the assumption that water consumption in San Francisco will continue at the level of approximately 80% of the pre-drought levels, rather than the maximum of 86.2% of the pre-drought levels stipulated under the Water Department's Water Conservation Plan.

### Comments

1. For fiscal year 1986-87, the sewer service charge rates increased an average of 17.8% for residential customers. Rates did not increase in 1987-88. For fiscal year 1988-89, the CAO proposed that sewer service charge rates for residential users increase by an average of 9.8% each year, for a period of five years beginning with fiscal year 1988-89, with the last such increase in fiscal year 1992-93. As a result, in both 1988 and 1989, the Board of Supervisors approved a 9.8% increase for 1988-89 and 1989-90. However, in 1990-91, the Board of Supervisors approved a 19% increase recommended by the CAO, as a result of the drought. The sewer service charge rates for residential users increased by an average of 22% for fiscal year 1991-92.

2. The CAO acknowledges that rainfall during fiscal year 1991-92 is moving towards normal levels. The cumulative effect of the CAO's proposed rates for future years is an average rate increase of 21% for residential users for FY 1992-93 and FY 1993-94. As shown in Attachment I, beginning in FY 1994-95, the CAO estimates that the average increase for residential accounts will be 13.75%. Rates would increase by 9.2% in FY 1995-96, and will increase 3.5% for FY 1996-97. These rates are based upon projected water consumption. The amount of rainfall received may decrease future rates if the mandatory Water Conservation Plan is rescinded and water consumption increases.

3. For fiscal year 1986-87, the sewer service charge rates increased an average of 11.4% for commercial and industrial users. Commercial and

**BOARD OF SUPERVISORS  
BUDGET ANALYST**



industrial user rates did not increase in 1987-88. In 1989, the Board of Supervisors approved a 12.7% rate increase for commercial and industrial users. Because of the drought, the Board of Supervisors approved a 19.9% rate increase for commercial and industrial users for 1990-91, and a 32% rate increase for commercial and industrial users for 1991-92. As previously noted, the CAO is now proposing a 23% increase for commercial and industrial users for fiscal year 1992-93.

4. As a result of the mandatory water rationing program, for 1991-92, the DPW estimated a reduction of 18.6% in water consumption by San Francisco water users from the 1987 base year consumption level. Therefore, as reflected in Attachment I, the assumed water consumption level for 1991-92 was 81.4% of the 1987 levels. However, water consumption levels for 1991-92 based on the first nine months of the fiscal year have been reduced by approximately 1.4% to 80%. The DPW is now projecting water consumption levels for 1992-93 at the same level as 1991-92, or approximately 80% of the 1987 levels. As reflected in Attachment I, after 1992-93's estimate of 80% of the 1987 water consumption levels, the DPW is projecting water use at the same level per year through 1996-97. Although the two are not directly comparable, the water consumption bases used for sewer service charge rate purposes is consistent with that being used by the PUC for the pending recommended 1992-93 water rates.

5. In fact, that is why the CAO is currently requesting that the proposed rate increases take effect on April 15, 1992. Sewer service charge rates typically become effective as of July 1. The CAO is requesting that the proposed rates become effective approximately 2.5 months earlier since revenues have declined for fiscal year 1991-92 because water consumption is 1.4% lower than projected. CWP reports that through January, 1992, sewer service charge revenues were approximately 6.7% below projected amounts. Water consumption and thus sewer service charge revenues are expected to decrease further in relation to original estimates for fiscal year 1991-92. The proposed sewer service rate increases, to be implemented on April 15, 1992, are estimated to result in approximately a \$7.3 million carryforward to be applied to the 1992-93 budget. The CAO projects that although without the rate increase, approximately \$2 million would be left to carryforward to the 1992-93 budget, a deficit of \$18.1 million would result by the end of fiscal year 1992-93. The CAO reports that carryforward balances are needed to meet bond covenants requiring surplus balances in excess of minimum requirements. Mr. Robert Hesse of the DPW reports that in order for the City to maintain minimum required debt coverage ratios and to provide a prudent reserve to meet revenue shortfalls or unanticipated costs, the sewer service charge rates would have to increase by approximately 24% for residential users on July 1, 1992 if the proposed 21% rate increase does not occur on April 15, 1992.

6. As noted above, the proposed rate increases would take effect on April 15, 1992. The earliest the Board of Supervisors could approve the proposed resolution is April 13, 1992. According to Mr. Hesse, the implementation of the proposed rate increases would only require a minor programming change to the Department's existing on-line computer billing system. Therefore assuming the



Mayor approves the proposed resolution prior to April 15, 1992, it is feasible to implement the proposed rate increase by April 15, 1992. Mr. Hesse reports that pursuant to State laws, a notice of the proposed sewer service charge rate is currently being advertised ten days prior to the date the increase would occur. Mr. Hesse also reports that customers would receive an explanation of the proposed rate increase in their next bills.

7. As shown in Attachment II, the proposed 1992-93 budgeted expenditures submitted by the CAO is \$129.3 million. These proposed 1992-93 budgeted expenditures are an increase of \$21.1 million or 19.5% over the 1991-92 budget of \$108.2 million. The major increases in the 1992-93 operating budget are a result of salary standardization, inflationary costs for materials and supplies, and increased debt service requirements. According to Mr. Hesse, total salary standardization results in increased costs of approximately \$3,027,000 for fiscal year 1992-93. The 1992-93 appropriation for repair and replacement is increased by \$335,000 or approximately 5% to \$7.0 million. Debt Service results in an increase of \$14.7 million, or approximately 35% to \$56.9 million. It is anticipated that new capital projects over the next five years will cost \$445 million and that \$41 million will come from State loans. The CAO also anticipates the issuance of an additional \$135 million in bonds during FY 1993-94 and FY 1994-95. The CAO proposes to finance this proposed 1992-93 \$129.3 million budget generally from sewer service charge revenues (\$106.3 million), carryover surplus funds from fiscal year 1991-92 (\$1.1 million), interest earnings (\$16.9 million), property tax revenues (\$4.6 million) and rental revenue from the Southeast Community Facility (\$378,000).

8. The CAO proposes to continue the policy approved by the Board of Supervisors in 1984-85 of financing General Obligation Sewer Bonds with property tax revenues. According to the City Attorney's Office, General Obligation Sewer Bond debt service is the only expenditure that can be funded by property tax revenues. The balance of the CWP budget, which pays for operations and maintenance expenses, must be financed by sewer service charges and interest income. As previously stated, and as shown in Attachments I and II, the CAO proposes to use property tax revenues of \$4.6 million to fund the entire costs of the General Obligation Sewer Bonds for 1992-93, approximately the same amount of property tax revenues allocated in 1991-92.

9. The proposed sewer service charge rates and other program revenue would raise sufficient funds to fully reimburse the General Fund for its overhead costs. For 1992-93, this amounts to an estimated \$2,050,000 (see Attachment II) which is approximately a 6% increase from the 1991-92 indirect costs of \$1,928,000.

10. As previously noted, approval of the proposed resolution would result in an average rate increase of 21% to residential users for fiscal year 1992-93 and an average rate increase of 23% to commercial and industrial users for fiscal year 1992-93.

11. Any potential fiscal year 1992-93 budget cuts which may be made by the Mayor and the Board of Supervisors in the forthcoming 1992-93 budget reviews,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

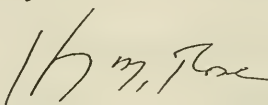
related to the Clean Water Enterprise Fund, could be used to reduce the proposed sewer service charge rates.

### Summary

The CAO's requested Clean Water Enterprise FY 1992-93 budgeted expenditures represents an approximate 19.5 percent increase over FY 1991-92. The Board of Supervisors and the Budget Analyst have not yet been provided with the Mayor's final recommended FY 1992-93 Clean Water Enterprise budget. The CAO is requesting that the increase in sewer service charge rates take effect immediately. Therefore the Budget Analyst believes approval of the proposed 21% to 23% increases in sewer service charge rates to the residential and the commercial and industrial users respectively is a policy matter for the Board of Supervisors.

### Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors for the reasons cited in the summary above.

  
Harvey M. Rose

cc: President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Gonzalez  
Supervisor Hallinan  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

# Attachment I

## Fixed Rates (Proposal by CAO) Clean Water Enterprise Fiscal Year 1991-92 through 1996-97 (In Millions)

	Adjusted Budget <u>1991-92</u>	Budget <u>1992-93</u>	Budget <u>1993-94</u>	Budget <u>1994-95</u>	Budget <u>1995-96</u>	Budget <u>1996-97</u>
Beginning Balance Carryover	\$4.6	\$7.3	\$6.2	\$8.6	\$8.2	\$8.8
Revenues						
Sewer Charges	88.8*	106.3*	129.9	145.9	157.4	162.1
Interest Income	17.1	16.9	13.1	10.5	7.3	6.7
Property Tax	4.6	4.6	4.7	4.7	4.7	4.7
Rent	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Total Revenues plus carryover	\$115.5	\$135.5	\$154.3	\$170.1	\$178.0	\$182.7
Expenditures	<u>108.2</u>	<u>129.3</u>	<u>145.7</u>	<u>161.9</u>	<u>169.2</u>	<u>174.0</u>
Ending Balance	\$7.3	\$6.2	\$8.6	\$8.2	\$8.8	\$8.7
Average Increase in Residential Accounts	22.0%	21.0%	21.0%	13.75%	9.2%	3.5%
Assumed Consumption as a Percent of 1987 Levels	81.4%	80.0%	80.0%	80.0%	80.0%	80.0%

\*Assumes rate increase effective April 15, 1992.

## Attachment II

### SAN FRANCISCO CLEAN WATER ENTERPRISE BUDGETED COST COMPARISON FOR 1990-91, 1991-92 AND 1992-93

<u>Expense Item</u>	Actual Expenditures 1990-91 <u>(\$000)</u>	Adjusted Budgeted Expenditures 1991-92 <u>(\$000)</u>	Budgeted Expenditures 1992-93 <u>(\$000)</u>
Operations and Maintenance:			
Bureau of Water Pollution Control	\$47,644	\$44,952	\$49,601
Sewer Repair Program	7,274	7,824	8,289
Clean Water Operation/Engineering	2,825	1,838	2,158
Environmental Regulations & Mgmt.	<u>0</u>	<u>4,724</u>	<u>5,373</u>
Total Operations and Maintenance	\$57,743	\$59,338	\$65,421*
Total Repair and Replacement	\$6,382	\$6,701	\$7,036
Debt Service:			
General Obligation Bonds	\$4,614	\$4,632	\$4,645
Revenue Bonds	32,064	31,970	42,964
State Loans	<u>0</u>	<u>5,541</u>	<u>9,243</u>
Total Debt Service	<u>\$36,678</u>	<u>\$42,143</u>	<u>\$56,852</u>
TOTAL ANNUAL COST	<u>\$100,803</u>	<u>\$108,182</u>	<u>\$129,309</u>
<u>Revenues</u>			
Non-Operating Revenues:			
Carryover used to balance budget	\$4,887	(\$2,719)**	\$1,045
Interest Earnings	13,952	17,100	16,940
Rental Income	300	369	378
Property Tax Revenue	<u>4,614</u>	<u>4,632</u>	<u>4,645</u>
Subtotal Non-Operating Revenue	\$23,753	\$19,382	\$23,008
Sewer Service Charge Revenue	<u>77,050</u>	<u>88,800</u>	<u>106,301</u>
TOTAL REVENUES	\$100,803	\$108,182	\$129,309
Ending Balance	\$4,600	\$7,300	\$6,200

\* Includes indirect costs of approximately \$2,050,000 to be transferred to the General Fund.

\*\*This amount represents an increase to the prior year ending balance, thereby resulting in a current year ending balance of \$7.3 million.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Attachment III  
SEWER SERVICE CHARGES  
1992-93

Residential Bill Schedule

<u>Monthly Water Use</u>	Equivalent Approximate <u>Daily Consumption</u>	1992-93 <u>Monthly Sewer Cost</u>
Units @ 100 cu. ft.	Gallons/day	(@ \$1.5356/unit-lifeline rate)
1	25 (lifeline)	\$1.54
2	50 (lifeline)	3.07
3	75 (lifeline)	4.61
		(@ \$3.8834/unit)
4	116	8.49
5	134	12.37
6	164	16.26
7	175	20.14
8	200	24.02
9	224	27.91
10	250	31.79
12	300	39.56
14	349	47.32
16	398	55.09
18	448	62.86
20	498	70.62
25	623	90.04
30	748	109.46
35	873	128.88
40	997	148.29

Commercial/Industrial Bill Schedule

(@ \$4.2602/unit)

10	250	42.60
20	498	85.20
30	748	127.81
40	997	170.41
50	1,246	213.01
60	1,496	255.61
70	1,745	298.21
80	1,994	340.82
100	2,493	426.02

BOARD OF SUPERVISORS  
BUDGET ANALYST



90.25  
2  
29/92  
.2

CALENDAR - Actions Taken

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, APRIL 29, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

DOCUMENTS DEPT.

ABSENT: SUPERVISOR GONZALEZ - ITEMS 4, 10-13, 15-17,  
20, 22 and 23 and 25

MAY 6 1992

SUPERVISOR HALLINAN - ITEM 1a

SAN FRANCISCO  
PUBLIC LIBRARY

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 146-92-12.1. [Grant - Private Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$69,740, from the American Foundation for AIDS Research (AMFAR) for the Harm Reduction Among Needle Exchange Patrons Project; waiving indirect costs. (Department of Public Health)
- b. File 146-92-23.1. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to accept and expend a grant of \$115,397, from State Department of Health Services, for the continuation of immunization services; waiving indirect costs. (Department of Public Health)
- c. File 146-92-26. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a continuation grant of \$500,000, which includes indirect costs of \$50,000 based on twenty percent of personnel costs, from the Department of Health and Human Services, Centers for Disease Control, to continue funding the evaluation and enhancement of HIV/AIDS Prevention Street and Community Outreach Programs that Serve Youth in High-Risk Situations Project (also known as the Youth SCOPE Project). (Department of Public Health)



- d. File 146-92-27. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Community Mental Health Services, to accept and expend a grant in the amount of \$95,000, from the State Department of Rehabilitation and to enter into a cooperative program agreement and a case service contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally ill psychiatric clients; waiving indirect costs. (Department of Public Health)
- e. File 146-92-28. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$457,580 from a collaboration of the Centers for Disease Control and the Health Resources and Services Administration for the AIDS Early Intervention Service Network Demonstration Project; waiving indirect costs. (Department of Public Health)

**ACTION:** Items a, b, d and e removed from the Consent Calendar. Remainder of Consent calendar recommended.

Item 1a, File 146-92-12.1. Recommended.

Item 1b, File 146-92-23.1. Amended. Recommended as amended.  
(Reduce amount to \$94,772 from \$115,397)

Item 1d, File 146-92-27. Amended on lines 4 and 15, after "of" by adding "up to". New title: "Authorizing the Department of Public Health, Division of Community Mental Health Services, to accept and expend a grant in the amount of up to \$95,000, from the State Department of Rehabilitation and to enter into a cooperative program agreement and a case service contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally ill psychiatric clients; waiving indirect costs." Recommended as amended.

Item 1e, File 146-92-28. Continued to May 6, 1992, meeting.

### REGULAR CALENDAR

- 2. File 270-92-3. [Mayor's Earthquake Emergency Relief Fund Expenditure] Resolution approving expenditure of \$213,200 from the Mayor's Earthquake Emergency Relief Fund to equip the Emergency Command Center (ECC) of the City and County of San Francisco. (Supervisor Shelley)

**ACTION:** Amended. (See File for details.) New title: "Approving expenditure of \$211,700 from the Mayor's Earthquake Emergency Relief Fund to equip the Emergency Command Center (ECC) of the City and County of San Francisco." Recommended as amended.

- 3. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 4/22/92)

**ACTION:** Continued to May 6, 1992, meeting.

4. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$97,258, for benefit payoff - miscellaneous (to back fill critical and mandated positions vacated because of early retirement). (Controller)  
(Cont'd from 4/22/92)

ACTION: Continued to May 6, 1992, meeting.

5. File 127-92-2. [Stadium Operator Admission Tax] Ordinance amending Part III, San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the stadium operator admission tax by extending for one year through December 31, 1992 the exemption from the payment of admission taxes on tickets sold at \$12.99 or less. (Supervisor Ward)  
(Cont'd from 4/22/92)

ACTION: Continued to May 6, 1992, meeting.

6. File 127-92-3. [Temporary Admission Tax] Ordinance amending Article II of Part III of the San Francisco Municipal Code (Temporary Admission Tax) by amending Section 802A, which imposed a temporary admission tax on any operator of athletic contests, exhibitions and other special events by extending the temporary tax for an additional year. (Supervisors Hallinan, Gonzalez)

ACTION: Recommended. (Add Supervisor Migden as a co-sponsor.)

7. File 161-91-5 [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1991-92; the issuance of not to exceed \$1,000,000 of tax allocation bonds; an appropriation of \$100,000 for fiscal year 1991-92; and an amendment to the indebtedness limitation agreement. (Supervisor Gonzalez)  
(Cont'd from 4/22/92)

ACTION: Amended on page 1, line 5, by replacing "appropriation of" with "increase of the agency's annual state of indebtedness by". New title: "Approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1991-92; the issuance of not to exceed \$1,000,000 of tax allocation bonds; an increase of the agency's annual state of indebtedness by \$100,000 for fiscal year 1991-92; and an amendment to the indebtedness limitation agreement." Recommended as amended. (Add Supervisor Migden as a co-sponsor.)

8. File 79-92-2. [24th Street Program] Resolution approving an amendment of the 1992 Community Development Program Final Proposal; the acceptance of \$1,000,000 of taxable bond proceeds from the San Francisco Redevelopment Agency; and the transfer of \$1,000,000 of Community Development Block Grant funds to the San Francisco Redevelopment Agency. (Supervisor Gonzalez)

ACTION: Amendment of the Whole bearing same title, as presented by Supervisor Gonzalez, adopted. Recommended as amended. (Add Supervisor Migden as a co-sponsor.)

9. File 100-91-1.25. [Release of Funds] Requesting release of reserved funds, Superior and Municipal Courts, in an amount totalling \$750,000, (\$540,000, Superior Court and \$210,000 Municipal Court) for Community Based Alternative Defense Program. (Superior Court)

ACTION: Hearing held. Release of \$281,956 recommended. Filed.

10. File 101-91-1.26. Requesting release of reserved funds, Airports Commission, in the amount of \$110,000 for the purpose of converting heating and cooling controls from the Robertshaw system to the Airports Honeywell system and to repair the pneumatic system. (Airports Commission)

ACTION: Hearing held. Release of \$110,000 recommended. Filed.

11. File 101-91-65. [Government Funding] Ordinance appropriating \$7,537,000, Department of Social Services, for general assistance, foster care and adoption aid. RO #91211 (Controller)

ACTION: Amended. (Reduce amount by \$290,000.) Recommended amended. New title: "Appropriating \$7,247,000, Department of Social Services, for general assistance, foster care and adoption aid."

12. File 65-92-4.1. [Amending Lease of AIDS Research Center] Ordinance authorizing and approving an amendment to the lease of the Fifth and Sixth Floors of Building 3 at San Francisco General Hospital to the Regents of the University of California. (Real Estate Department)

ACTION: Recommended.

13. File 65-92-8. [Termination of Lease] Ordinance approving termination of ten-year lease between Forest Terminals Corporation and the City and County of San Francisco, for Pier 48 Newsprint Terminal, operating by and through the San Francisco Port Commission. (Port Commission)

ACTION: Amended on line 2 after "lease" and on line 13, after "Agreement", by adding "retroactive to May 1, 1992". Recommended as amended. New title: "Approving termination of ten-year lease, retroactive to May 1, 1992, between Forest Terminals Corporation and the City and County of San Francisco, for Pier 48 Newsprint Terminal, operating by and through the San Francisco Port Commission."

14. File 23-92-4. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to payment of two warrants of the City and County of San Francisco, in an amount totalling \$408.86 legal obligations of the City and County of San Francisco. (Controller)

ACTION: Continued to May 6, 1992, meeting.

15. File 30-92-5. [Patient Day Rates] Resolution fixing patient day rates for services furnished by City and County Health Care Institutions and rescinding Resolution No. 619-91. (Department of Public Health)

ACTION: Amended on page 1, line 2, after "institutions", by adding "retroactive to July 1, 1991". Further amended on page 1, line 12, by replacing "effective" with "retroactive to". Recommended amended. New title: "Fixing patient day rates for services furnished by City and County Health Care Institutions, retroactive to July 1, 1991, and rescinding Resolution No. 619-91." Recommended as amended.

16. File 82-92-4. [Acceptance of Public Access Easement] Resolution authorizing the execution of an easement agreement and acceptance of a public access easement to Edgehill Mountain Open Space (13 single-family homes at 300 Ulloa Street); and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: Recommended. (New easement agreement accepted by Committee and placed in the file.)

17. File 172-92-7. [Social Services Contract] Resolution authorizing the modification to Agreement CD-8514 between the City and County of San Francisco and the State of California Department of Education, increasing the amount of allocation by \$1,838 for participation by the City and County in the State's Child Development Program for Fiscal Year 1991-92. (Department of Social Services)

ACTION: Recommended.

18. File 254-92-1. [Juvenile Detention Institutions Maximum Daily Charges] Resolution establishing maximum daily charges for support of minors placed in City and County Juvenile Detention Institutions and authorizing the Chief Probation Officer of the Juvenile Probation Department to charge less than the maximum rates when juvenile court determines that a lesser charge is appropriate based on parents' or guardians' ability to pay. (Juvenile Probation Department)

ACTION: Continued to May 6, 1992, meeting.

19. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 4/22/92)

ACTION: Continued to May 6, 1992, meeting.

20. File 115-92-3. [City Planning Code Amendment] Ordinance amending the City Planning Code, by adding Section 176.1 to create an administrative hearing procedure to enforce planning code requirements and a procedure to recover administrative costs of enforcement through assessment and lien. (Department of City Planning)  
(Cont'd from 4/22/92)

ACTION: Amended on page 11, by deleting lines 6 through 16. Recommended as amended.



21. File 97-92-20. [Hazardous Waste Facility Fund] Ordinance amending Administrative Code by adding Section 10.117-111 thereto, creating a special funds for deposit of the proceeds of fees charged hazardous waste facility project applicants. (Department of City Planning)

ACTION: Tabled.

22. File 97-92-21. [Environmental Review Fees] Ordinance amending Administrative Code by amending Section 31.46A, concerning modification and extension of surcharges. (Department of City Planning)

ACTION: Recommended.

23. File 115-92-6. [Planning Fees] Ordinance amending Article 3.5A, City Planning Code, by amending Sections 350, 352, 358, 361, 364, 365, 367, renumbering Section 369 to Section 374, and adding new Sections 369, 370, 371, 372, 373, to impose new fees and change the amount of fees currently charged relating to Department of City Planning actions, activities and services. (Department of City Planning)

ACTION: Recommended.

24. File 114-92-2. [BBI Fee Schedule] Ordinance amending Building Code by amending Sections 330.1, 330.2, 330.3, 331, 332, 332.1, 332.2, 332.3, 332.4, 332.5, 333.1, 333.2 and 333.3, to increase Bureau of Building Inspection fees. (Department of Public Works)

ACTION: Continued to May 6, 1992, meeting.

SPECIAL ORDER - 3:00 P.M.

25. File 21-92-1. [Sewer Service Charge] Resolution adopting and imposing schedules of sewer service and industrial cost recovery charges to be paid by users for fiscal year 1992-93 pursuant to Part II. Chapter X, Articles 4.1 and 4.2 of the Public Works Code; providing for a severability clause. (Chief Administrative Officer)  
(Cont'd from 4/22/92)

ACTION: Amendment of the Whole bearing same title to be prepared by City Attorney. (See file for details.) Recommended as amended.

CITY AND COUNTY



Public Library, Documents Dept.

OF SAN FRANCISCO *ATTN: Gerry Roth*

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 27, 1992

TO: Finance Committee

FROM: Budget Analyst *Recommendations*

SUBJECT: April 29, 1992 Finance Committee Meeting

DEPOSITORY ITEM  
DOCUMENTS DEPT.

APR 28 1992

SAN FRANCISCO  
PUBLIC LIBRARY

Item 1a - File 146-92-12.1

Department: Department of Public Health (DPH),  
AIDS Office

Item: Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$69,740 from the American Foundation for AIDS Research (AmFAR) for the Harm Reduction Among Needle Exchange Patrons Project; waiving indirect costs.

Grant Amount: \$69,740

Source of Funds: American Foundation for AIDS Research (AmFAR)

Grant Period: July 1, 1992 to June 30, 1993

Description: The Board of Supervisors previously approved a resolution (Resolution 193-92) authorizing the Department of Public Health to apply for a grant for \$70,000 from AmFAR. The proposed grant would support a privately operated, street-based program to provide medical screening services, confidential HIV testing and educational interventions to injection drug users (IDUs). Specifically, the project would include a comprehensive van-based primary care and harm reduction intervention in the context of a community-based needle exchange program. The intervention would be designed to slow the spread of HIV infection and to improve the health of IDUs. The program would evaluate mobile services for IDUs, including the impact of these services on access to other health care and drug treatment services, and



the effect of the harm reduction model on HIV-related risk behavior.

**Contract Budget:**     *San Francisco AIDS Foundation*

Personnel

Project Coordinator	\$32,000
Fringe Benefits at 20 percent of salaries	6,400

Research Interviewers at approximately \$13.33 per interview x 300 interviews	<u>4,000</u>
--	--------------

Personnel Total	\$42,400
-----------------	----------

<u>Travel</u> (one trip to funder in New York)	1,000
--	-------

Other

RV rental and insurance (\$300/week x 52 weeks)	\$15,600
RV fuel, parking and maintenance	2,000
Incentive stipends for program participants (\$15 per incentive x 300 participants)	<u>4,500</u>

Total Other	22,100
-------------	--------

Contractor's Indirect Costs

(10 percent of personnel)	<u>4,240</u>
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Total Project Budget	\$69,740
----------------------	----------

**Indirect Costs:**     None (see Comment 3)

**Required Match:**     None

**Comments:**     1. In addition to the project budget reflected above, the DPH would provide certain resources to implement the proposed project, which would be funded by a State block grant for confidential testing. Specifically, the DPH would provide (1) clinical supplies, at \$1,000; (2) laboratory tests, at \$4,452 (300 participants at \$14.84 each); and (3) tuberculin skin testing with follow-up x-rays at \$11,000, for a total of \$16,452. In addition, two DPH staff members would spend approximately 10 percent of their time each on the proposed project, at a total value of \$7,715. The total salaries for these staff members is included in the DPH's proposed 1992-93 budget, and would not represent an additional cost to the City.

2. The San Francisco AIDS Foundation, the University of California at San Francisco, and the Haight Ashbury Free Clinic would also provide in-kind staff for the proposed project, including a nurse practitioner and an HIV testing counselor, at .2 FTE each. In addition, the San Francisco AIDS Foundation, Black Coalition on AIDS and Levi Strauss would donate creative development and printing of a harm reduction handbook.

3. According to the DPH, it is generally the policy of AmFAR to invite applications from certain non-profit charitable organizations only, that is, those with 501(c)3 tax-exempt status. Since the City and County of San Francisco does not fall into that category, the funder has waived the requirement that the City have 501(c)3 status, on the condition that the San Francisco AIDS Foundation be included as part of the grant. In order to enhance competitiveness within this applicant pool, the AIDS Office has requested that indirect costs be waived for the proposed grant.

4. The proposed grant would be a one-time, one year grant.

5. Attached is the "Summary of Grant Request" form as prepared by DPH.

6. The DPH and the San Francisco AIDS Foundation have prepared Disability Access Checklists, which are in the file.

**Recommendation:** We recommend approval to accept and expend this grant but consider the waiver of indirect costs as a policy matter for the Board of Supervisors.

# Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor American Foundation for AIDS Research (AmFAR) Division CO/AIDS Div  
 Contact Person Margaret R. Reinfeld Section AIDS Office  
 Address AmFAR 733 Third Ave Contact Person Tim Piland  
New York, New York Telephone 554-9132  
 Amount Requested \$ 69,740 Application Deadline 3/13/92  
 Term: From 7/1/92 To 6/30/93 Notification Expected 4/30/92  
 Health Commission 4/7/92 Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (modification)  
 (Circle appropriate words) grant in the amount of \$ 69,740 from the period of 7/1/92 to 6/30/93  
 to provide Harm Reduction among Needle Exchange Patrons Project services.

## II. Summary: (Concise summary of project; number of groups served; services and providers)

To fund a privately operated street-based program to provide medical screening services,  
 confidential HIV testing and educational interventions to injection drug using partici-  
 pant's (see Attachment).

## III. Outcomes/Objectives:

To determine evaluation of mobile services, the impact of these services on access to  
 other health care and drug treatment services, and the effect of the harm reduction model  
 on HIV-related risk behavior (see Attachment).

## IV. Effects of Reduction or Termination of These Funds:

Failure to accept and expend these funds would impair the AIDS Office ability to  
 address the problem of HIV spread among injection drug users and their sexual contacts.

## V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			69,740			
Personnel						
Equipment						
* Contract Svc.			69,740			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs			0			

## VI. Data Processing

(omit included above)

## VII. Personnel

F/T CSC			0		
P/T CSC			0		
Contractual			1		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source X \_\_\_\_\_ (If none, attach Request for Exemption Form)  
 Request attached.

Item 1b - File 146-92-23.1

**Department:** Department of Public Health (DPH)  
Bureau of Epidemiology and Disease Control

**Item:** Resolution authorizing the Department of Public Health to accept and expend a continuation State grant of \$115,397 from the State Department of Health Services for the continuation of immunization services and waiving indirect costs.

**Grant Amount:** \$115,397

**Source of Funds:** State Department of Health Services

**Grant Period:** July 1, 1992 to June 30, 1993

**Project:** Immunization Services

**Project Description:** The Board of Supervisors previously approved legislation authorizing the DPH to apply for \$115,397 for the proposed State grant funds (File 146-92-23). The proposed grant funds would be used by DPH to fund the administration of the City's immunization programs and to maintain a program to prevent perinatal transmission of Hepatitis B Virus. The program's objectives are as follows:

- 1) Raise to (or maintain) immunization levels of 98% or greater for each of the legally required immunizations among all kindergarten entrants and incoming transfer students to schools within San Francisco.
- 2) Raise age-appropriate immunization levels to 95 percent or greater among infants and preschool-age children residing in San Francisco.
- 3) Through prevention, surveillance and outbreak control, reduce, and if possible eliminate illness, disability and death due to vaccine preventable diseases such as polio, diphtheria, tetanus, pertussis, measles, rubella, mumps, and influenza type B within San Francisco.
- 4) Assure that 90 percent of the infants who are born in San Francisco and who are exposed to Hepatitis B receive HBIG (emergency vaccine) and a first dose of Hepatitis B vaccine within 12 hours of birth within San Francisco.

- 5) Assure that 75 percent of identified infants who live in San Francisco and are at high risk of perinatal Hepatitis B transmission complete the HBIG/3 dose Hepatitis B vaccine series.
- 6) Assure that 70 percent of identified household contacts at high risk of perinatal Hepatitis B transmission are screened and complete the HBIG/3 dose Hepatitis B vaccine series.

**Number of  
Units of Service:**

Approximately 36,500 childhood immunizations, approximately 70 to 90 pregnant women identified as Hepatitis B carriers and approximately 140 to 360 household contacts of identified Hepatitis B carriers.

**Project Budget:**

Personnel

Senior Disease Control Investigator (Step 2)	\$38,952	
Senior Disease Control Investigator (Step 5)	44,988	
Fringe Benefits (26%)	<u>21,824</u>	
Subtotal		\$105,764

Operating Expenses

Office Supplies	\$1,308	
Educational Materials	1,900	
Laboratory Tests	4,900	
Travel	<u>1,525</u>	
Subtotal		<u>9,633</u>

Total		\$115,397
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**Indirect Costs:**

None. The State requires that funds be used for direct program services and does not allow indirect costs. Therefore, the proposed resolution would authorize the waiving of indirect costs.

**Required Match:**

None

**Comments:**

1. The DPH advises that if the State grant monies are terminated, the grant funded positions would also be terminated.

2. Attached is the "Summary of Grant Request" as prepared by DPH, for the proposed grant funds.

Memo to Finance Committee  
April 29, 1992

3. A Disability Access Checklist has been prepared by the DPH and is included in the file.

**Recommendation:** Approve the proposed resolution.



Grantor: State Dept. of Health Services  
 Contact Person: Les Burd  
 Address: 2151 Berkeley Way  
Berkeley, CA 94704  
 Amount Requested: \$ 115,397  
 Term: From 7/1/92 To 6/30/93  
 Health Commission 4/7/92

Division: Community Public Health Services  
 Section: Epidemiology & Disease Control  
 Contact Person: Carlos Rendon  
 Telephone: 554-2832  
 Application Deadline: April 15, 1991  
 Notification Expected: May 15, 1991  
 Board of Supervisors: Finance Committee 5/6/92  
 Full Board 5/11/92

Item Description: Request to ~~(propose)~~ (accept and expend) a ~~(new)~~ (continuation) ~~(extension)~~ ~~(renewal)~~ grant in the amount of \$ 115,397 from the period of 7/1/92 to 6/30/93 to provide immunizations & perinatal hepatitis B prevention services.

II. Summary (Concise summary of project - purpose, need, services, and providers)

A grant to fund the administration of the City's immunization programs, and maintain a program to prevent perinatal transmission of hepatitis B virus. The program provides for approx. 36,500 childhood immunizations, the screening of pregnant women with approximately 70 to 90 pregnant women identified as hepatitis B carriers, and for immunoprophylaxis of the infants born to hepatitis B antigen positive pregnant women, as well as to the household contacts (approx. 140 to 360 household contacts) of these women.

III. Outcomes/Objectives:

To maintain the required immunization levels in the community to prevent disease and to prevent perinatal transmission of hepatitis B and thus prevent the resultant high incidence of cirrhosis, primary liver cancer and premature death that would otherwise occur among those born to hepatitis B carrier mothers.

IV. Effects of Reduction or Termination of These Funds:

An essential public health program would not exist in a city for vaccine preventable diseases and for a very high risk perinatal hepatitis B population. Currently, over one fourth of all births to hepatitis B carrier mothers in the US are thought to occur in California.

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Part Year/Orig.	Proposed	Change		
Grant Amount	81,600	94,772	115,397	20,625		
Personnel	66,247	88,012	105,764	17,752		
Equipment	5,000	-0-	-0-	-0-		
Contract Svc.	-0-	-0-	-0-	-0-		
Mat. & Supp.	1,750	2,035	3,208	1,173		
Facilities/Space	-0-	-0-	-0-	-0-		
Other	8,603	4,725	6,425	1,700		
Indirect Costs			**			

\*\*State subvention funds may only be used for direct program services.

VI. Data Processing

Indirect costs are not allowed.

(See attached sheets)

VII. Personnel

F/T CSC	2	2	2		
P/T CSC	0	0	0		
Contractual	-	-	N/A		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
N/A

Will grant funded employees be retained after this grant terminates? If so, How?

No

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposal Form)

Item 1c - File 146-92-26

**Department:** Department of Public Health (DPH),  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to apply for a continuation grant of \$500,000, which includes indirect costs of \$50,000 based on 20 percent of personnel costs, from the Department of Health and Human Services, Centers for Disease Control, to continue funding the evaluation and enhancement of HIV/AIDS Prevention Street and Community Outreach Programs that Serve Youth in High-Risk Situations.

**Grant Amount:** \$500,000

**Source of Funds:** Centers for Disease Control

**Grant Period:** September 1, 1992 to August 31, 1993

**Project:** HIV/AIDS Prevention Street and Community Outreach Programs that Serve Youth in High-Risk Situations Project (Youth SCOPE Project)

**Description:** The proposed grant would support the continued evaluation and enhancement of HIV/AIDS prevention street and community outreach programs that serve youth in high-risk situations, such as runaways, homeless youth, and youth who are injection drug users (IDUs). The proposed evaluation would include: (1) community meetings for local input and participation; (2) a comprehensive needs assessment, including a survey of agency services, cost analysis of current programs, and interviews with current service providers; (3) ethnographic interviews with high risk youth; and (4) a cross-sectional behavioral and seroprevalence survey of high risk youth in several settings, such as shelters, detention centers, and defined neighborhoods.

**Grant Budget:** The AIDS Office would submit a complete project budget when it requests authorization to accept and expend the proposed grant.

**Indirect Costs:** \$50,000, based on twenty percent of personnel costs

**Required Match:** None

**Comments:** 1. The deadline for the proposed grant application is May 8, 1992.

2. The proposed grant would be a continuation grant. A grant of \$500,000 would represent a \$17,982, or 3.7 percent, increase over the previous year's grant of \$482,018. The DPH anticipates that the Centers for Disease Control will award DPH the proposed grant.

3. As noted above, the DPH would provide a complete project budget when it requests authorization to accept and expend the proposed grant. Indirect costs would be included in the application at \$50,000, based on twenty percent of anticipated personnel costs of \$250,000.

4. Attached is the "Summary of Grant Request" as prepared by DPH.

5. The DPH has prepared a Disability Access Checklist which is in the file.

**Recommendation:** Approve the proposed resolution.

Grantor Dept of Health and Human Svcs.  
 Contact Person Centers for Disease Control  
 Person Edwin L. Dixon  
 Address CDC; 255 East Paces Ferry Rd.  
Atlanta, GA 30305  
 Amount Requested \$ 500,000  
 Term: From 9/1/92 To 8/31/93  
 Health Commission                      Board of Supervisors: Finance Committee                     

Division - CO/AIDS Div  
 Section AIDS Office  
 Contact Person Tim Piland  
 Telephone 554-9132  
 Application Deadline 5/8/92  
 Notification Expected 7/15/92  
 Full Board                     

Item Description: Request to (apply for) ~~(accept and expend)~~ a (new) (continuation) ~~(alteration)~~ ~~(expansion)~~ ~~(modification)~~ grant in the amount of \$ 500,000 from the period of 9/1/92 to 8/31/93 to provide Evaluation/Enhancement of HIV/AIDS Prevention Programs services.

L. Summary: that Serve Youth in High-Risk Situations (AKA Youth SCOPE Project)  
 (Concise summary; need addressed; number + groups served; services and providers)

This program will continue to evaluate and enhance HIV/AIDS prevention street and community outreach programs that serve youth in high-risk situations (e.g., runaways, homeless youth, and youth who are injection drug users; please see attachment for more detailed description of the program.

## II. Outcomes/Objectives:

Please see attachment, Preliminary Plan.

## V. Effects of Reduction or Termination of These Funds:

Failure to apply for these funds will impair our continuing efforts to address the needs of youth in high-risk situations in regard to designing effective and cost-efficient strategies for HIV/AIDS health education and risk reduction.

## V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount		482,018	500,000			
Personnel		313,328				
Equipment		16,590				
Contract Svc.						
Mat. & Supp.		18,603				
Facilities/Space		23,638				
Other		60,124				
Indirect Costs		49,735				

## VI. Data Processing

(costs included above)                      16,590                                                                                    

## II. Personnel

FT CSC		6.7			
PT CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
None.

Will grant funded employees be retained after this grant terminates? If so, How?

No.

III. Contractual Services: Open Bid none Sole Source none (if sole source attach Request for Exemption Form)



Item 1d - File 146-92-27

**Department:** Department of Public Health (DPH)  
Community Mental Health Services

**Item:** Resolution authorizing the Department of Public Health, Division of Community Mental Health Services, to accept and expend a grant of \$95,000, from the State Department of Rehabilitation and to enter into a cooperative program agreement and a case service contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally ill psychiatric clients, waiving indirect costs.

**Grant Amount:** \$95,000

**Grant Period:** July 1, 1992 to June 30, 1993

**Source of Funds:** State Department of Rehabilitation

**Project:** Vocational Services for Mentally Ill Psychiatric Clients in the City of San Francisco

**Description:** The Board of Supervisors previously approved a resolution (File 146-92-22) which authorized the Department of Public Health to apply for a proposed grant of \$63,333 with a required 25 percent local match of \$15,833.

In the interim, additional State monies totaling \$31,667 have become available, prompting the State Department of Rehabilitation to send a letter to the Department of Public Health, inviting DPH to contract for a new total grant amount of \$95,000 (\$63,333 plus \$31,667). Therefore, the Department of Health is requesting authorization to accept and expend a State grant of \$95,000 without any local match requirement. Mr. Larry Doyle, Supervising Fiscal Officer within DPH, advises that it is unnecessary for DPH to go back and re-apply for the additional \$31,667 even though there is a difference between the \$63,333 which DPH originally requested authorization to apply for and the grant amount of \$95,000 which the Department is now requesting the Board's authorization to accept and expend.

The proposed resolution would create a contract between the State Department of Rehabilitation and the City whereby the City would provide vocational services for psychiatric clients. Specifically, the City would contract with the California Pacific Medical Center's Community Vocational Enterprises, a non-profit organization, to provide staff to supervise up to 100 psychiatric clients in paid jobs of ten

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



hours per week or more. Clients would receive evaluation, placement, and follow-up services from the Community Vocational Enterprises.

<b>Budget:</b>	<u>Contractual Services</u>	<u>FTEs</u>	
	Vocational Coordinator	1.0	\$37,379
	Work Projects Coordinator	1.2	44,854
	Training Position	<u>1.0</u>	<u>12,558</u>
	Total	3.2	\$94,791

**Required Match:** None

**Indirect Costs:** Funder does not allow indirect costs. Therefore, the proposed resolution would waive indirect costs.

- Comments:**
1. According to Mr. Jack Rabin of DPH, once the State acquired additional funding, it decided it would no longer require any local matching funds for this grant, as confirmed by Attachment II, which is a copy of a letter to the Department of Public Health from the State Department of Rehabilitation, inviting DPH to contract for the new total grant amount of up to \$95,000.
  2. Disability Access Checklists have been prepared by the DPH and the contractor, Community Vocational Enterprises, and are included in the file.
  3. Attachment I is the Summary of Grant Request, as prepared by the Department. Mr. Rabin indicated this Summary should show 3.2 FTE staff rather than 2.2 FTE staff being contracted to provide vocational services.
  4. Mr. Rabin advises that the total budget of \$94,791 does not exactly match the total grant amount of \$95,000 because in Attachment II, a letter to the Department of Public Health from the State Department of Rehabilitation, the State Department of Rehabilitation invites DPH to contract for a grant of up to \$95,000. Therefore, it is recommended that the Board amend the resolution to authorize DPH to accept and expend a grant of up to \$95,000.
  5. According to Mr. Rabin, these vocational services constitute an ongoing program and that this is the first instance in which DPH has applied for this particular grant from the State Department of Rehabilitation. Mr. Rabin also indicated that if the grant is not renewed within the next fiscal year, the program would cease and the positions would be terminated unless alternative funding was secured.

Memo to Finance Committee  
April 29, 1992

**Recommendation:** Amend the proposed resolution to reflect authorization to accept and expend a grant of up to \$95,000 and approve the resolution, as amended.

Dept. of Rehabilitation - S.F.  
 District: Office  
 Contact Person Diana Wagner, R.S.  
 Address 30 Van Ness Avenue  
San Francisco, CA 94102  
 Amount Requested \$ 95,000  
 Term: From 7/01/92 To 6/30/93  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 \_\_\_\_\_ Full Board \_\_\_\_\_

Division Community Mental Health Services  
 Section Child, Youth & Family Services  
 Contact Person Jack Rabin, Assistant Director  
 Telephone 255-3412  
 Application Deadline April 10, 1992  
 Notification Expected July 1, 1992

I. Item Description: Request to ~~for~~ (accept and expend) a (new) ~~grant~~ grant in the amount of \$ 95,000 from the period of 7/01/92 to 6/30/93 to provide vocational services.

II. Summary: (Character, and address, number, group, name, service and providers)

Up to 100 psychiatric clients will be provided with paid jobs of 10 hrs./week or more. Vocational services will be provided by Community Vocational Enterprises (CVE), a California Pacific Medical Center program and by the San Francisco office of the State Department of Rehabilitation. Clients will receive evaluation, placement, and follow-up services.

III. Outcome/Objectives:

Provide vocational evaluation, placement, and follow-up services for up to 100 seriously mentally ill psychiatric clients.

IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of these funds will prevent up to 100 clients from receiving vocational services.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved
Grant Amount			\$95,000			
Personnel						
Equipment						
Contract Svc.			\$95,000			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

VI. Data Processing

(see related items)

VII. Personnel

F/T CSC				
P/T CSC				
Contractual			2.2 FTE*	

\*Should be 3.2 FTE

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source X \_\_\_\_\_ (If sole source, state Request for Proposals)

04-24-1992 10:08 4152553567 SAN FRANCISCO MENTAL HEALTH

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STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF REHABILITATION

30 VAN NESS AVENUE, SUITE 3200  
SAN FRANCISCO, CALIFORNIA 94102-6027  
415-337-3800  
TTY-415-337-3800  
FAX-415-431-1383



April 13, 1992

Mr. Jack Rabin, Assistant Director  
San Francisco Community Mental Health Services  
1380 Howard Street, Room 538  
San Francisco, CA 94103

Dear Mr. Rabin,

This is to confirm that the Department of Rehabilitation wishes to develop a cooperative and case service contract for up to \$95,000.00. This contract is to begin July 1, 1992.

Please do not hesitate to contact me should this letter not be sufficient for your needs.

Sincerely,

A handwritten signature in cursive script that reads "Diane Wagner".

Diane Wagner  
Rehabilitation Supervisor

DLW/ss



Memo to Finance Committee  
April 29, 1992

Item 1e - File 146-92-28

**Department:** Department of Public Health (DPH),  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$457,580 from a collaboration of the Centers for Disease Control and the Health Resources and Services Administration for the AIDS Early Intervention Service Network Demonstration Project; waiving indirect costs.

**Grant Amount:** \$457,580

**Source of Funds:** Centers for Disease Control  
Health Resources and Services Administration

**Grant Period:** June 1, 1992 to May 30, 1993

**Description:** The proposed grant would support the development of a pilot project in which early intervention linkages between sites providing primary medical care and HIV counseling and testing services would be established or enhanced.

**Comment:** DPH has requested that the proposed resolution be continued to the May 6, 1992 Finance Committee Meeting.

**Recommendation:** Continue the proposed resolution to the May 6, 1992 Finance Committee Meeting.





Item 2 - File 270-92-3

**Department:** Mayor's Office of Emergency Services (OES)

**Item:** Resolution approving expenditure of \$213,200 from the Mayor's Earthquake Emergency Relief Fund to equip the Emergency Command Center (ECC) of the City and County of San Francisco.

**Amount:** \$213,200

**Description:** The City's new Emergency Command Center (ECC), to be funded through 1986 Fire Protection Bonds (Proposition A), is to be used to coordinate emergency relief efforts in the event of an earthquake or other natural disaster. In the event of an earthquake, the new ECC will enable coordination of emergency efforts by various City departments (including the Fire Department, Department of Public Health, Department of Electricity and Telecommunications and the Department of Public Works), and also accommodate emergency personnel from the State Office of Emergency Services, the United States Army Corps. of Engineers, Pacific, Gas & Electric, and the American Red Cross.

The 1986 Fire Protection System Improvement Bond funds, which have been previously appropriated for the design and construction of the ECC, at an estimated cost of \$1.2 million, cannot be used for equipment purchases. Therefore, the Mayor's Office of Emergency Services proposes to use the Mayor's Earthquake Emergency Relief Fund to purchase equipment for the ECC in order to make the ECC operational.

As noted above, the source of funds for the proposed expenditure would be the Mayor's Earthquake Emergency Relief Fund. The Board of Supervisors previously approved an ordinance (File 97-89-49) which amended the San Francisco Administrative Code to create the Mayor's Earthquake Emergency Relief Fund. The Mayor's Earthquake Emergency Relief Fund was established for the purpose of receiving all private and public grants, gifts and bequests of money and property which may be offered to the City to provide relief from the October 17, 1989 Loma Prieta earthquake. Any monies expended from this special fund are subject to approval by the Board of Supervisors. The balance remaining in this special fund at the close of any fiscal year shall be carried forward and accumulate interest in subsequent fiscal years.

**Comments:** 1. According to Ms. Susan Andrus of the Controller's Office, there is currently approximately \$549,407 remaining in the

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BUDGET ANALYST

Mayor's Earthquake Emergency Relief Fund, which includes interest. Therefore, if the Board of Supervisors approves the requested \$213,200, a total of approximately \$336,207 would remain in the Fund.

2. As noted on the Attachment, the Mayor's Office of Emergency Services proposes to purchase equipment totalling \$213,200 for the ECC. According to Admiral John Bitoff, Director of the Office of Emergency Services, all of the items listed on the Attachment are one time expenditures. In addition, Ms. Ann Kronenberg of the Mayor's Office reports that any maintenance costs associated with the radio and telephone equipment would be covered in the Office of Emergency Services operating budget. Ms. Kronenberg indicates that because the ECC would be fully operational during FY 1992-93, the requested operating budget for FY 1992-93 is approximately \$95,000, which is approximately an 83 percent increase over the FY 1991-92 operating budget of approximately \$52,000. However, this operating budget would be subject to final approval by the Mayor and review and approval by the Board of Supervisors.

4. According to Admiral Bitoff, during an emergency, the ECC equipment purchases would be used for the Mayor's OES staff persons (currently 3 FTEs and 1 FTE vacant), the Mayor and key advisors, media and the coordination of 20 different emergency functions. These emergency functions would be performed by representatives including the Police Department, Fire Department, Department of Public Health, Department of Electricity and Telecommunications, Department of Public Works, Water Department, MUNI, Mayor's OES, Emergency Broadcast System, State Office of Emergency Services, California Law Enforcement Radio System (CLERS), U.S. Army Corps of Engineers, Pacific Gas & Electric and the American Red Cross. Admiral Bitoff also reports that the ECC would accommodate other military personnel.

5. The ECC facility consists of an operations center, planning room, logistics center and an administrative/policy meeting area. Admiral Bitoff reports that the equipment requested (see Attachment) is based upon a projection of the minimal requirements to make the ECC operational. Based on a review of the proposed equipment purchases and the new ECC facility, the Budget Analyst recommends approval of the radio related equipment, phone equipment, portable generators and public address systems. However, the Budget Analyst recommends reducing the proposed request as follows:

<u>Equipment</u>	<u>Proposed Quantity</u>	<u>Recommended Quantity</u>	<u>Estimated Reduction</u>
Copiers (multiple feed, sort, collate, adjust size)	3	2	\$5,000
Computers with modem cards	14	12	6,400
Laser Printers	6	3	4,500
Optical Character Reader Scanner	1	0	2,500
Operator Swivel Armchairs	50	30	<u>6,000</u>
Total Recommended Reductions			\$24,400

Below is a summary of the basis of these reductions:

Copiers - There is currently one available copier for use by OES staff at the ECC facility. Reducing the request from three to two additional copiers would still provide the ECC with three copiers for use jointly by the operations center, planning room and logistics center.

Computers - The 14 computers are being requested primarily for City department personnel, the Red Cross and other emergency personnel to access departmental data related to an emergency. These computers would not primarily be used for word processing functions during an emergency. Reducing the request to 12 computers would still provide these personnel with an adequate number of computers to access data since each occupant would not need exclusive use of their own computer.

Laser Printers - One laser printer is currently located at the ECC facility. Reducing the request to three additional laser printers would still provide one printer for the operations center, planning room and logistics center at the ECC, as well as the existing printer.

Optical Character Reader (OCR) Scanner - An OCR scanner would enable ECC occupants to scan documents, similar to a fax machine, and transmit the scanned documents to a computer. However, three fax machines which are being requested would be sufficient for transmitting documents.

Operator Swivel Armchairs - Reducing the request from 50 to 30 chairs would still provide the ECC occupants with sufficient seating. It should be noted that the proposed request also includes 100 folding chairs, two couches, four side chairs and one executive chair which can be used to accommodate the ECC occupants.

6. Therefore, the Budget Analyst recommends amending the proposed resolution to authorize an expenditure in the amount of \$188,800, which is \$24,400 less than \$213,200 which is indicated on the proposed resolution.

- Recommendations:**
1. Amend the proposed resolution to reduce the request of \$213,200 by \$24,400 to \$188,800.
  2. Approve the proposed resolution as amended.

EMERGENCY COMMAND CENTER EQUIPMENT COST ESTIMATE:

<u>Quantity</u>	<u>Item</u>	<u>Est. Cost</u>
3	copiers (multiple feed, sort, collate, adjust size)	\$ 15,000
14	computers w modem cards	45,000
6	laser printers	9,000
4	modems	800
3	plain paper fax machines	7,500
1	amateur radio band receiver	1,000
1	packet TNC for amateur radio	500
1	EDIS (Emergency Digital Info. System) transformer	1,000
25	radios and/or radio consoles	5,000
1	VHF multifrequency radio	2,000
1	UHF multifrequency radio	2,000
1	OCR scanner	2,500
3	handi-talkie radios	4,500
40	2500 phone instruments with lamp message (includes installation)	4,000
10	install 10 existing superset phones	500
8	data dial up trunks (1 card)	3,000
4	install 4 dedicated data lines	800
---	wire and connect radio equipment	3,000
2	telephone trunk cards	6,000
10	telephone trunks	500
2	portable generators for ancillary buildings	20,000



page 2

---	computer software	2,000
	area drain into lower parking lot (includes labor)	10,000
	acoustical paneling (generator room)	7,000
	EBS equipment, material & installation	4,500
	Muni radio & installation	4,500
	Red Cross radio & installation	4,500
	PG&E radio & installation	4,500
-	VCR and amplifier for internal video system (includes \$400 for cable and installation)	1,000
	internal public address system (includes 10 speakers, \$500; 1 amplifier, \$500; talk-back features unit, \$200; and installation, \$2,400)	3,600
	external public address system (includes 3 roof-mounted speakers, \$300; elec. labor, \$500; conduit installation, \$2,000)	2,800
	SUBTOTAL	178,000

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50	operator swivel arm chairs	\$ 15,000
100	folding chairs	2,000
2	couches	1,200
	answering machine system	500
30	waste paper baskets	150
5	regular wall clocks	100
5	military wall clocks	100
8	AM-FM battery operated radios	240
1	conference table	500
6	typewriter/computer tables	1,500
6	desk-high, two-drawer files	1,500
3	fire extinguishers (type 4, dry chemical, all purpose, class ABC)	90
4	side chairs	500
1	wooden costumer	80
1	double sided coatrack with casters	290
1	executive desk	440
1	credenza (includes hutch, S263)	725
1	executive chair	135
		<hr/>
	SUBTOTAL	\$ 15,050
	contingencies (5 percent)	10,150
	<u>GRANDTOTAL</u> .....	\$ 25,200



Item 3 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 22, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted had recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the recent \$139.2 to \$148.2 million shortfall projected, the Mayor's Office has now requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office has requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction. According to Ms. Serata, the various City departments are currently working on these additional reductions, and all such changes must be approved by each of the City commissions.

According to Ms. Serata, in addition to expenditure reductions, departments are being encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

Ms. Adelle Foley of the Mayor's Office reports that the requested reductions to the MUNI and Health Department must be taken in the context of the department's overall General Fund budget request. The Budget Analyst's Office has requested that the Mayor's Office provide a detailed explanation of any expenditure reductions and any revenue enhancements, such as Municipal Railway fare increases, in writing.

The Mayor's Office has outlined the following anticipated budget schedule. The Mayor's budget staff are presently working with each department and anticipate receiving the final revised proposed budgets from the various departments and commissions during the next couple of weeks. According to Mr. Hadley Roff of the Mayor's Office, the Mayor's Office should complete their review of the City's major departments within the week. This review will include additional revenue ideas and enhancements for these departments. As has been done in past years, Ms. Serata anticipates submitting the proposed departmental budgets to the Controller's Office by May 15, for reconciliation of individual department's numbers and the overall budget. According to Ms. Serata, a draft final budget would then be submitted to the printer on approximately May 22 and initial copies of the Mayor's 1992-93 budget should be available by approximately May 27. As has been the practice in prior years, the Mayor's Office could provide a confidential copy of the Mayor's budget to the Budget Analyst's Office once copies were available from the printer, although complete budget information, including necessary detail and back-up materials would not be available until June 1, 1992.

The Finance Committee inquired on April 8, 1992 and again on April 15, 1992 regarding the ability of the Board of Supervisors to receive the 1992-93 budget prior to the June 1, 1992 deadline as required by the Charter, or if that is not possible, to receive preliminary budget data or alternative budgetary scenarios prior to the June 1, 1992 deadline. On April 22, 1992, the Mayor presented a letter to the members of the Finance Committee providing advance information about the FY 1992-93 budget, which the Mayor's Office is currently reviewing. This letter summarizes the budget process, meetings, explains the differences among the various department's budget targets, SB 855 services, etc. In addition, various attachments to this letter highlight specific expenditure reductions, revenue increases and departmental targets for the larger City departments.

On April 22, 1992, the Finance Committee also requested additional information regarding which policies and priorities were being assigned to various City programs and services, in terms of developing the FY 1992-93 budget. In reviewing individual City department budgets, Ms. Foley indicates that the Mayor's Office is attempting to balance departmental revenue ideas with service reductions, with a goal of minimizing the impact on services to the public. However, Ms. Foley cautions that Salary Standardization and numerous Memorandum of Understanding (MOUs), consent decrees and other prior agreements significantly limit the flexibility of the Mayor's Office in terms of which items and programs can be reduced in the FY 1992-93 budget. According to Ms. Foley, the Mayor's Office requested that each Department prioritize their budgeted programs and services according to a hierarchy of the most important to the least important, when submitting their FY 1992-93 departmental budget requests. Ms. Foley reports that most departments have submitted prioritized budgets with various options, and that the Mayor's budget staff is reviewing these individual departmental priorities as part of the Mayor's budget review.

Ms. Foley will attend the April 29, 1992 Finance Committee meeting to respond to the Committee members' questions regarding the April 22, 1992 advance letter on the budget from the Mayor's Office and regarding policies and priorities currently being used to formulate the Mayor's FY 1992-93 budget.





Item 4 - File 101-91-55.1

**Note:** This item was continued by the Finance Committee at its meeting of April 22, 1992.

**Department:** Controller

**Item:** Requesting release of \$97,258 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:** 1. On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program (Proposition A), to a reserve account to finance the lump sum sick leave and vacation payments.

2. Some of the positions vacated as a result of Proposition A, such as department head positions and other critical positions, are mandated by the Charter. Other positions, although not mandated are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or critical position, that position can be backfilled, if approved by the Proposition A Committee. The Committee consists of the Mayor, General Manager, Personnel, and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council, who serve as advisory members.

3. On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19 and March 20, 1992, and as a result of its departmental hearings process, recommended that \$1,867,425 for backfilling 199\* General Fund positions be released from reserve. The Finance Committee approved the release of funding in the recommended amount at its meeting of March 25, 1992.

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\* 200 were recommended for release for backfill but one of these positions did not take early retirement.

4. The Proposition A Committee reconvened its hearings on March 26, 1992, and subsequently requested that \$879,322 of the remaining \$1,132,575 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 169 General Fund positions. The Finance Committee approved the release of funding in the recommended amount at its meeting of April 1, 1992.

5. The Proposition A Committee reconvened its hearings on April 2, 1992, and subsequently requested that \$155,993 of the remaining \$253,253 from the original \$3,000,000 supplemental appropriation be released for funding the backfill of 61 General Fund positions (one Proposition A retiree was restored to his position, making the actual figure 60). The Finance Committee approved the release of funding in the recommended amount at its meeting of April 8, 1992. Therefore a balance of \$97,260 remained from the original appropriated \$3,000,000.

6. The Proposition A Committee reconvened its hearings on April 9, 1992. The Proposition A Committee, following the direction of the Finance Committee, did not recommend that funds from the remaining \$97,260 of the original \$3,000,000 supplemental appropriation be released from reserve. Instead, the Proposition A Committee indicated to the Finance Committee on April 8, 1992, that the Proposition A Committee would begin to identify the minimum of 500 General Fund positions to be eliminated, prior to requesting the release of additional reserved funds for backfilling vacated positions.

7. The Proposition A Committee reconvened its hearings on April 16, and April 17, 1992. The Proposition A Committee discussed, with the individual department representatives, whether to retain specific positions, to provisionally retain specific positions or to delete specific positions. The Committee, at those hearings, decided to retain an additional 107 positions, abolish 61 positions, and provisionally retain an additional 35 positions. The Proposition A Committee did not recommend that funds from the remaining \$97,260 of the original \$3,000,000 supplemental appropriation be released from reserve.

8. Attachment I is the most recent "Summary of Proposition A Review Committee Action by Department" Report issued by the Proposition A Committee, dated April 23, 1992. The Attachment identifies by City department the 1,336 Proposition A vacated positions as of April 17, 1992, including the 260 positions that are non-General Fund and mandated,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

the 428 (199+169+60) positions previously approved by the Finance Committee for backfilling, and the additional 107 positions that the Proposition A Committee has now approved for retention. Also shown in Attachment I is the overall percentage of positions recommended to be backfilled or retained for each department, the 541 remaining positions from which a minimum of 500 positions are to be selected for elimination from the FY 1991-92 and FY 1992-93 budgets, the 35 provisionally retained positions and the 61 positions to be abolished.

9. The Proposition A Committee reconvened its hearings on April 23, 1992, with a representative of the Budget Analyst's Office in attendance. At that hearing, the Proposition A Committee selected the final 41 positions to be retained from the 541 remaining positions. The Committee voted to recommend to the Mayor that the remaining 500 Proposition A vacated positions not selected for retention or placed on the provisional list be abolished.

10. As of the writing of this report, the Proposition A Committee, according to Mr. John Madden of the Controller's Office, had not completed the process of determining what sum of the \$97,260 in remaining funds from the original \$3,000,000 appropriation for backfilling would be recommended to the Finance Committee. Mr. Madden reports that the recommended amount for backfilling the Proposition A positions would be available prior to the Finance Committee meeting of April 29, 1992.

**Comments:**

1. The Finance Committee has thus far released backfill funding in the amount of \$2,902,740 from the \$3,000,000 supplemental appropriation, as follows:

	<u>Amount</u>	<u>Number of Positions</u>
Released by the Finance Committee on 3/25/92	\$1,867,425	199
Released by the Finance Committee on 4/1/92	879,322	169
Released by the Finance Committee on 4/8/92	<u>155,993</u>	<u>60</u>
Total	\$2,902,740	428

Therefore, as previously noted, a balance of \$97,260 remains. In addition to the \$2,902,740 already released from reserve, additional funds actually and potentially available to the Health Department, the Municipal Railway, the Recorder's Office and the Public Administrator's Office will be used for funding positions previously approved for backfilling by the Finance Committee. Each of these positions were included with \$1 of funding of the original \$3,000,000 appropriation.

2. As previously noted, the Proposition A Committee is recommending to the Mayor a total of 500 General Fund positions for elimination, the minimum permissible under Proposition A to be eliminated from the City's FY 1991-92 and FY 1992-93 budgets. Elimination of each position through the Proposition A process saves approximately \$50,000, including fringe benefits, on the average. Should, for example, 600 rather than 500 General Fund positions be eliminated through the Proposition A process, an additional approximately \$5,000,000, annually, in General Fund savings would result.

3. The Transport Workers Union at the April 17, 1992, hearing testified that 40 9163 Transit Operator positions and 11 9139 Transit Supervisor positions, then in the non-mandatory pool of 647 positions, were actually positions mandated by Proposition A. The Union stated that, in fact, agreement was reached with the City to protect these transit positions prior to placing Proposition A on the ballot. Attachment II are copies of letters from the Transport Workers Union of America to the Proposition A Committee in which the Union claims that these two classifications are not subject to the Committee's elimination process. Should these 51 transit positions be subsequently placed on the position retention list, the Proposition A Committee would be forced to rescind some of its prior decisions regarding retaining positions. However, while one of these letters was signed off by Mr. Claude Everhart, former Deputy Mayor, the Union presented no evidence that the Board of Supervisors had agreed to any such conditions.

4. The Proposition A Committee was dissolved as the last order of its business at the Thursday, April 23, 1992, hearing.



5. The next major step in the Proposition A process is for the Mayor to communicate to the Controller and to the Board of Supervisors the 500 or more positions to be eliminated from the FY 1991-92 and the FY 1992-93 budgets. Thereafter, upon the recommendation of the Mayor, the Board of Supervisors, by a two-thirds vote, may restore to the FY 1991-92 budget or place in the FY 1992-93 budget any of the positions designated for elimination.

6. This item should be continued one week given that as of the writing of this report, the Proposition A Committee has not provided a listing of the 500 positions to be eliminated and had not identified what portion of the remaining \$97,260 will be requested to be released for backfilling of additional positions.

**Recommendation:** Continue the item to the Finance Committee meeting of May 6, 1992.



revised 4/23/92

**SUMMARY OF PROPOSITION A REVIEW COMMITTEE ACTION BY DEPARTMENT**  
 (reflects Committee action thru 4/17/92 & based on retirements thru 3/31/92)

DEPARTMENT	TOTAL RETIRES	NON GEN'L FUND & MANDATED	POSITIONS BACKFILLED ON 3/25, 4/1 & 4/8/92	POSITIONS RETAINED ON 4/16 & 4/17 WHICH ARE NOT NON GEN'L FUND & MANDATED	% OF POSITIONS RETAINED TO TOTAL RETIRES (1)	REMAINING POSITIONS (2)	POSITIONS PLACED ON PROVISIONAL LIST ON 4/16 & 4/17	POSITIONS ABOLISHED ON 4/16 & 4/17
01 BOARD OF SUPERVISORS	2	0	0	1	50%	1	0	1
02 ASSESSOR	10	0	2	2	40%	6	1	0
03 CITY ATTORNEY	9	1	3	0	44%	5	2	0
04 DISTRICT ATTORNEY	10	4	0	2	60%	4	1	0
05 PUBLIC DEFENDER	1	0	0	0	0%	1	0	0
06 SHERIFF	1	0	0	0	0%	1	1	0
08 TREASURER-TAX C.	15	1	4	3	53%	7	0	0
09 CONTROLLER	45	1	8	6	33%	30	3	0
12 JUVENILE PROBATION	14	0	3	0	21%	11	0	0
13 ADULT PROBATION	9	0	2	1	33%	6	2	0
25 MAYOR	3	2	1	0	100%	0	0	0
26 COMMISSION ON AGING	4	4	0	0	100%	0	0	0
27 AIRPORT	70	70	0	0	100%	0	0	0
29 CITY PLANNING	5	0	2	0	40%	3	0	0
30 CIVIL SERVICE	6	0	2	0	33%	4	1	3
31 FIRE DEPARTMENT	3	0	1	0	33%	2	0	0
32 HETCH HETCHY PROJECT	21	21	0	0	100%	0	0	0
33 HEALTH SERVICE	3	0	2	0	67%	1	1	0
34 HUMAN RIGHTS CO	2	0	0	0	0%	2	0	0
35 MUNICIPAL RAILWAY (3)	234	0	108	20	55%	106	0	0
36 PARKING & TRAFFIC CO	19	7	1	3	58%	8	6	2
38 POLICE COMMISSION	22	0	5	3	36%	14	0	14
39 PORT	11	11	0	0	100%	0	0	0
40 PUBLIC UTILITIES CO	41	16	1	7	59%	17	1	2
41 PUBLIC LIBRARY	35	0	12	0	34%	23	0	0
42 RECREATION & PARK	81	17	11	12	49%	41	2	0
44 RETIREMENT SYSTEM	4	0	1	0	25%	3	0	0
45 SOCIAL SERVICES	114	0	30	26	49%	58	10	33
46 WAR MEMORIAL	5	5	0	0	100%	0	0	0
47 WATER DEPARTMENT	30	30	0	0	100%	0	0	0
48 CO ON THE STATUS OF WOMEN	0	0	0	0	0%	0	0	0
49 PUC LIGHT HEAT & POWER	1	0	1	0	100%	0	0	0
61 FINE ARTS MUSEUMS	7	0	0	0	0%	7	0	0
62 ASIAN ART MUSEUM	1	0	1	0	100%	0	0	0
70 CAO	1	1	0	0	100%	0	0	0
71 REAL ESTATE	4	0	1	1	50%	2	1	1
72 COUNTY AGRICULTURE-	1	0	1	0	100%	0	0	0
74 CORONER	0	0	0	0	0%	0	0	0
75 ELECTRICITY	10	0	3	0	30%	7	0	0
78 RECORDER	1	0	1	0	100%	0	0	0
79 PUBLIC ADMINISTRATOR	1	0	1	0	100%	0	0	0
83 PUBLIC HEALTH-C. OFFICE	54	0	38	0	70%	16	0	0
85 LAGUNA HONDA	101	0	63	0	62%	38	0	0
86 SF GENERAL HOSPITAL	134	0	74	0	55%	60	0	0
87 COMM. MENTAL HEALTH	35	0	25	0	71%	10	0	0
TOTAL HEALTH(3)	324	0	200	13	66%	111	0	0
90 PUBLIC WORKS	135	67	17	6	67%	45	3	0
91 PURCHASER	20	1	3	1	25%	15	0	5
93 CONVENTION FACILITIES	1	1	0	0	100%	0	0	0
TOTAL:	1336	260	428	107	60%	541	35	61

(1) Does not assume that positions placed on the provisional list have been retained.

(2) Assumes positions placed on the provisional list are remaining

(3) The Proposition A Review Committee agreed to retain positions for this department on 4/17/92. However, the department has to return to the Prop A Committee on 4/23/92 with a prioritized list specifying the actual positions for approval.

Note: Shaded percentages indicate departments which have had fewer than 33% of the Prop A retirees retained and do not have any positions on the provisional list.



Attachment II  
Page 1 of 4  
TRANSPORT WORKERS UNION OF AMERICA

LOCAL 250-A AFL-CIO

660 HOWARD STREET, 3RD FLOOR - SAN FRANCISCO, CA 94105  
TEL: (415) 543-4970 - FAX: (415) 543-5944



BIE L. BROWN  
PRESIDENT

IRE CALDWELL  
VICE PRESIDENT

Y J. ANTONIO  
SECRETARY-TREASURER

AM K.Y. JUNG  
TRAINING SECRETARY

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LIAM V. SISK

EXECUTIVE BOARD  
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TON HATCH  
SON MILLS  
ACIS TOLLIVER

SRITA BRITT  
SECTION CHAIRPERSON

April 17, 1992

PROPOSITION "A" REVIEW COMMITTEE  
City & County of San Francisco  
Room 200, City Hall  
San Francisco, CA 94102

Dear Committee Members:

Transport Workers Union, Local 250-A is very concerned about the affect and impact of reductions in service and personnel as a result of Proposition "A" - the 3+3 retirement plan, and foresee it as a major and immediate problem our members face.

Charter amendment language contained in Section 8.517-2 EARLY SERVICE RETIREMENT, items (2), (3), and (4) which outlines mandated positions according to specific criteria is of serious concern to Local 250-A and our members. In fact, the language as approved by the voters was the result of the meet and confer process held between the City and this Union which resulted with a ratified MOU which provides the following:

"There will be no layoff of employees covered by any of the TWU Memoranda of Understanding or reduction of budgeted positions covered by any of the TWU Memoranda of Understanding from the date of this letter until the end of fiscal year 1991-1992. Thereafter, before there is a layoff of employees or a reduction of budgeted positions, the City and the PUC will meet and confer with this Union as necessary."

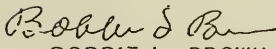
This Local Union views any reduction in service or shortage of operators as a violation of our current MOU, as well as a violation of the TIDF funding as related to downtown service. Any proposed reductions in service or operating personnel should be offsetted and made up by TIDF funds.

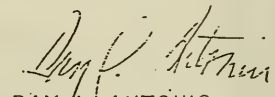
Further, we will oppose any service cuts or any reduction in MUNI's operating budget due to the hardship these cuts will create on our hard working members. There should be no question that the work our members perform is essential in the delivery of public service to the City and to the citizens of San Francisco. Any cuts would only aggravate and exacerbate the situation.

Page Two  
Proposition "A" Review Committee  
April 17, 1992

As the City and County of San Francisco is under legal obligations to meet the terms of the MOU, we, therefore take the position that all vacant positions represented by TWU, Local 250-A be automatically filled and that these classifications and positions not be subject to the Review Committee.

Very truly yours,

  
BOBBIE L. BROWN  
President

  
RAY J. ANTONIO  
Secretary-Treasurer

BLB:RJA:sfr  
opeiu 3 afl cio 142

cc: Mayor Frank Jordan  
Edward Harrington, Controller  
Albert C. Walker, General Manager, CSC  
Walter Johnson, Secr.-Treas., S. F. Labor Council  
Lawrence B. Martin, Int'l. Rep., TWU of Am.



# Local 200

## Transport Workers Union of America

Affiliated with American Federation of Labor and Congress of Industrial Organizations

660 Howard Street, Third Floor • San Francisco, CA 94105 • (415) 495-7326

D PETERSON, II  
President

April 17, 1992

CE FIALKIN  
Executive Vice-President

REL CROSS  
Secretary-Treasurer

PIGEE  
Vice-President

E JACKSON  
Vice-President

NETH A. RODRIGUEZ  
Birding Secretary

ALD A. JONES  
Executive Board Member

Proposition A Review Committee  
San Francisco City and County  
City Hall

Dear Committee members:

This letter expresses our firm belief that all 9139 Transit Supervisor requisitions shall be back-filled under the Proposition A, Early Retirement, Charter Amendment. Our position is based on the following:


1) The 9139 Transit Supervisors qualify as mandated positions according to the language of Section 8.517-2 of the Charter. They meet the criteria under numbers (2), (3), and (4) of Section 8.517-2(b).


2) The language of Proposition A was negotiated to qualify the full return of the 9139's in total. It was negotiated as part of the Freeze agreement. For the Committee to deny this trade off and refuse to fill these requisitions would be in violation of the Freeze agreement.

Additionally, we feel the 9140 Transit Manager I and the 9141 Transit Manager II positions are protected under criteria number (3) of Charter Section 8.517-2(b) as well. We enclose the M.O.U. side letter negotiated in May of 1991 which we believe supports the filling of these positions.

We hope you will consider the above and grant Management's requisitions vital to the delivery of safe, courteous and efficient transit services in compliance with our Memorandum of Understanding.

Sincerely,

  
Fred Peterson II  
President

  
Alice Fialkin  
Executive Vice-President

cc: L. Martin  
W. Johnson  
J. Stone

1991-1995 Memorandum of Understanding  
Side Letter Re No Layoffs and No Reduction In Budgetted Positions

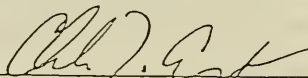
May \_\_\_\_\_, 1991

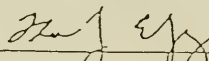
Lawrence B. Martin, International Representative  
Transport Workers Union of America, AFL-CIO  
660 Howard Street, 3rd Floor  
San Francisco, CA 94105

Dear Mr. Martin:

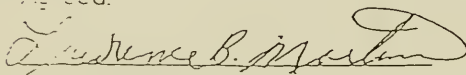
This letter is to confirm the agreement arrived at in the recent negotiations concerning the layoff of employees and reduction of budgetted positions.

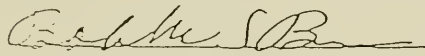
There will be no layoff of employees covered by any of the TWU Memoranda of Understanding or reduction of budgetted positions covered by any of the TWU Memoranda of Understanding from the date of this letter until the end of fiscal year 1991-1992. Thereafter, before there is a layoff of employees or a reduction of budgetted positions, the City and the PUC will meet and confer with this Union as necessary.

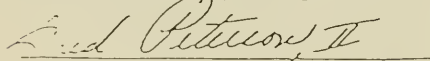
  
\_\_\_\_\_  
Claude Everhart, Deputy Mayor

  
\_\_\_\_\_  
Thomas J. Elzey, PUC

Agreed:

  
\_\_\_\_\_  
Lawrence B. Martin

  
\_\_\_\_\_  
Eddie Brown, Local 250A

  
\_\_\_\_\_  
Fred Peterson, II, Local 200



Item 5 - File 127-92-2

**Note:** This item was continued by the Finance Committee at its meeting of April 22, 1992.

1. The proposed item would amend Article II, Part III of the San Francisco Municipal Code, by amending Section 807 thereof, providing an exemption from the payment of the Stadium Operator Admission Tax, by extending for one year, through December 31, 1992, the exemption from the payment of admission taxes on tickets sold at \$12.99 or less.

2. Until December 31, 1991, Section 807 of Article II, Part II of the San Francisco Municipal Code provided for an exemption from the \$0.50 Stadium Operator Admission Tax for tickets prices at \$12.99 or less for the first 42,500 paid admissions to any single event. Since January 1, 1992, the exemption from the \$0.50 tax applies only to all tickets prices at \$2.01 or less. The proposed ordinance would amend Section 807 to extend the exemption from the \$0.50 tax for tickets priced at \$12.99 or less for the first 42,500 paid admissions at each event to be effective for one year, until December 31, 1992.

Baseball season began April 4, 1992, and the exemption from the Stadium Operator Admission Tax expired on December 31, 1991. Since season tickets have previously been sold for the 1992 season and home games have already been played, if approved, the proposed ordinance would need to be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.

3. The Stadium Operator Admission Tax was established in 1971 to finance partially the expansion of Candlestick Park. The Giants report that a) the stadium expansion of 1970 was exclusively for the accommodation of football; b) between 1970 and 1979, attendance in excess of pre-expansion capacity (approximately 42,500) occurred on only 15 occasions totalling only 118,526 tickets with total additional ticket sales from the expansion resulting in approximately \$511,600 of additional revenue; c) during this same time period (1970-79), the Giants generated approximately \$2,064,046 in Stadium Operator Admission tax revenues. Since 1980, the Giants have exceeded pre-expansion capacity on 60 dates (10 of these dates were in the 1989 season which had total attendance of 2,370,126 including 310,297 for three playoff games and two World Series games).

4. Prior to 1977, exemptions from this Stadium Operator Admission Tax had a minor impact on revenues and were primarily limited to tickets prices at \$2.01 or less. From 1977 through 1987, the ticket prices to be exempt rose several times. During 1988 and 1989, the exemption was on tickets of \$12.99 or less for the first 42,500 paid admissions at each event. Tickets sold in excess of 42,500 at each event were subject to the \$0.50 tax. As previously noted, the proposed ordinance would extend the exemption for tickets priced at \$12.99 or less for the first 42,500 paid admissions until December 31, 1992.



5. Actual revenues to the Candlestick Park Fund from the \$.50 Stadium Operator Admission Tax from FY 1986-87 through FY 1991-92 have been as follows:

	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	
49ers	\$304,561	\$306,400	\$349,089	\$341,000	\$326,000	\$326,000	****
Giants	0	87,636*	11,094**	176,259***	22,262**	6,761 **	
Monsters of Rock Concert			32,500				
Total	<u>\$304,561</u>	<u>\$394,036</u>	<u>\$392,683</u>	<u>\$517,259</u>	<u>\$348,262</u>	<u>\$332,761</u>	

\* Reflects Admission Tax payments on playoff games which had ticket prices exceeding \$9.99.

\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game.

\*\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game and for playoff and World Series games which had ticket prices exceeding \$12.99.

\*\*\*\* Estimate based on ticket sales for 1991.

6. Ticket prices for the Giants in 1992 are \$12.25 lower box, \$11.25 upper box, \$10.25 lower reserved, \$8.25 upper reserved, \$5.25 pavilion, and \$2.75 general admission. These prices represent an increase of 25¢ per ticket for each of these categories over the 1991 prices to provide the per ticket surtax of 25¢ for tickets of less than \$27 (Giants tickets). A surtax of 75¢ was added in 1991 for tickets of \$27 or more (49ers tickets). These ticket surtaxes were implemented for the 1992 baseball and football seasons to support San Francisco high school sports. Since the prices of all the Giants tickets are less than \$12.99, all tickets sold by the Giants, excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets which have a price exceeding \$12.99, are exempt from the Stadium Operator Admission Tax. Ticket prices for the 49ers will increase from \$35 to \$35.75 for all seats in 1992. This 75¢ increase over the 1991 prices provides for the per ticket surtax of 75¢ for tickets over \$27 noted above. In accordance with a 1985 agreement between the City and the 49ers, luxury boxes are exempt from the Stadium Operator Admission Tax.

7. The projected amount of annual revenue in 1992 from the Stadium Operator Admission Tax, a) based on an exemption for all tickets sold at \$2.01 or less (which would result if this proposed ordinance were not approved), and b) based on an exemption for all tickets sold at \$12.99 or less (which would result if this proposed ordinance were approved), and c) based on budgeted and projected 1992 attendance figures, would be as follows:

Projected 1992 Stadium Operator Admission Tax Revenues

	If exemption of tax is on all tickets of \$2.01 or less (If proposed legislation is not approved)	If exemption of tax is on all tickets of \$12.99 or less for the first 42,500 paid admissions at each event (If proposed legislation is approved)	Estimated Additional Revenues to the City (If proposed legislation is not approved)
49ers	\$326,000	\$326,000	0
Giants	<u>875,000</u>	<u>6,761</u>	<u>\$868,239</u>
Total	\$1,201,000	\$332,761	\$868,239

Stadium Operator Admission Tax revenues are credited to the Candlestick Park Fund. If the proposed legislation were not approved, this would result in the Candlestick Park Fund being credited with additional estimated annual revenues of \$868,239. However, since the Candlestick Park Fund also receives a stipulated percentage of Hotel Tax revenues, by amending the Hotel Tax Ordinance by an amount of Hotel Tax revenues corresponding to the additional Stadium Operator Admission Tax revenues, these funds could be allocated to the General Fund. Therefore, approval of the proposed legislation would effectively result in an estimated loss of revenue to the General Fund of approximately \$868,239.

Recommendations

(1) Providing for an exemption of the \$0.50 Stadium Operator Admission Tax on all tickets prices at \$12.99 or less for the first 42,500 paid admissions at each event, which would effectively result in an estimated loss of revenue to the General Fund of approximately \$868,239, is a policy matter for the Board of Supervisors.

(2) If the legislation is approved, the proposed ordinance should be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.



Item 6 - File 127-92-3

The proposed ordinance would amend Article II of Part III of the Municipal Code (temporary admission tax) by amending Section 802A, which imposed a temporary admission tax on any operator of athletic contests, exhibitions and other special events, by extending the temporary tax for an additional year.

Under the proposed legislation, a surtax of \$0.25 would be imposed on baseball tickets sold by the Giants for the 1993 season and a surtax of \$0.75 would be imposed on football tickets sold by the 49ers for the 1993 season. Revenues generated from this surtax would be used to finance sports programs within the San Francisco Unified School District.

Previous legislation (File 127-91-4) which implemented this temporary admission tax for a one year period (July 1, 1992 through June 30, 1992) was intended to apply for the initial year only, with the expectation that the San Francisco Unified School District would find other funding sources to continue its Sports Programs at the conclusion of the one year period. However, the Unified School District reports that due to continuing budgetary problems, without the revenues generated from the temporary admission tax revenues, it would no longer be able to continue its sports program

The initial temporary admission tax is anticipated to generate approximately \$1,056,000 for sports programs during FY 1991-92. Based upon information provided by Mr. Bob Golton of the San Francisco Unified School District, the proposed legislation is anticipated to result in approximately \$1,055,666 in revenues for sports programs during FY 1992-93, which is the total estimated cost for the FY 1992-93 Unified School District sports programs. The sports program for FY 1992-93 is essentially the same as the current year sports program, with some adjustments for schools either adding or dropping a sport. The San Francisco Unified School District reports that these anticipated revenues would allow high schools and middle schools to continue their school sports programs without interruption for the next fiscal year (July 1, 1992 through June 30, 1993).

Comments

1. The City presently imposes a 50¢ Stadium Operator Admission Tax on tickets sold at Candlestick Park priced at \$12.99 or more and there is also a \$1.00 surcharge on all 49ers tickets to cover the costs of the installation of additional seats in Candlestick Park. Therefore, if the proposed legislation is approved, the total surcharge would be \$2.25 for tickets priced at \$27.00 or more (49ers tickets) including the proposed \$0.75 surtax on the 49ers, the \$0.50 Stadium Operator Admission Tax, and the \$1.00 on all 49ers tickets to cover the cost of the installation of additional seats at Candlestick Park.

2. Separate legislation is currently pending before the Board of Supervisors (see item 5, File 127-92-2 of this report to the Finance Committee) which would

provide exemption from the \$0.50 Stadium Operator Admission Tax for ticket prices at \$12.99 or less (Giants tickets) until December 31, 1992, for the first 42,500 paid admissions to any single event. Since the prices of all the Giants tickets are less than \$12.99, all tickets sold by the Giants, excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets which have a price exceeding \$12.99, would be exempt from the Stadium Operator Admission Tax. If the Board of Supervisors approves the waiver for the Giants to pay the Stadium Operator Admission Tax (File 127-92-2), and approves this proposed legislation, the total surcharge for Giants tickets sold would be \$0.25 for the temporary admission tax only. If the Board of Supervisors does not approve the waiver for the Giants to pay the Stadium Operators Admission Tax and approves the proposed legislation, the total surcharge for Giants tickets would be \$0.75.

3. The proposed surtax of \$0.25 on Giants tickets and \$0.75 on 49ers tickets is not a special tax and would be deposited to the City's General Fund. If this legislation is approved, it is anticipated that the Mayor and the Board of Supervisors would then appropriate these funds for use by the San Francisco Unified School District to carry out its sports programs for its high schools and middle schools.

4. The proposed ordinance specifies that the surtax would commence for professional games during the 1993 season, and would expire on June 30, 1993. As noted above, the proposed legislation states that this temporary surtax would apply only for one more year, with the expectation that the San Francisco Unified School District would find other funding sources to continue its sports programs at the conclusion of the one year period on June 30, 1993. The proposed legislation specifies that the temporary admission tax for tickets for professional games (Giants and 49ers) for the 1993 season shall be remitted to the City prior to July 1, 1993.

### **Recommendation**

Approval of the proposed surtax, which would extend the temporary surtax for one additional year, is a policy matter for the Board of Supervisors.



Item 7 - File 161-91-5

**Note:** This item was continued from the April 22, 1992 Finance Committee Meeting.

**Description:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1991-92; the issuance of tax allocations bonds in an amount not to exceed \$1 million; increase the Agency's annual statement of indebtedness by \$100,000 for Fiscal Year 1991-92; and an amendment to the Indebtedness Limitation Agreement.

**Description:** In response to requests on the part of the 24th Street Revitalization Committee, a committee of 24th Street merchants, City officials, and community agencies, the SFRA is requesting authorization to amend its budget to permit the expenditure of an additional \$1 million for economic development activities on 24th Street between Mission Street and Potrero Avenue. The 24th Street Revitalization Committee originally requested over \$2 million for economic development activities. However, SFRA approved only \$1 million. The proposed economic development activities would include the following:

Property Acquisition (Community Development Investment Fund)	\$720,000
Working Capital Loan Fund	240,000
Public Space/Street Improvements	<u>40,000</u>
Total	\$1,000,000

SFRA proposes to use tax increment funds included in their 1989-90 budget, but never previously expended, to support the 24th Street project. However, 24th Street between Mission and Potrero is outside of the SFRA's program areas, and any tax increment monies spent by redevelopment agencies outside of their program areas, according to State law governing tax increment funds, must support affordable housing, not economic development. To avoid this restriction, if the proposed resolution were approved, \$1 million would be transferred to the Office of Housing and Community Development (HCD), a division of the Mayor's Office of Economic Planning and Development. This \$1 million would be used to support affordable housing programs at HCD. In turn, HCD would transfer \$1 million to SFRA to be used for economic development on 24th Street. In order to recoup the



\$1 million from existing funds transferred to HCD, SFRA is requesting authorization to issue tax allocation bonds in an amount not to exceed \$1 million.

**Comments:**

1. The Community Development Investment Fund, at \$720,000, would include the establishment of a fund to assist local non-profit organizations to acquire property for commercial development. The purpose of the program would be to enhance the physical character and commercial market potential of the 24th Street corridor. Grants of up to \$250,000 would be awarded to eligible non-profit organizations based on the demonstration of the feasibility of their proposed projects, and the availability of additional funds to support their projects. The recipient of such grants would be required to use the grant for the site acquisition project approved by SFRA and HCD. Recipients would be required to create jobs for low and moderate income people. A minimum of 51 percent of any jobs created through such development would be provided to low and moderate income persons.

2. The Working Capital Loan Fund, at \$240,000, would establish a revolving loan fund to provide loans of up to \$50,000 for working capital, equipment, fixtures, and improvements primarily to retail businesses reliant on 24th Street pedestrian traffic. The proposed \$240,000 Working Capital Loan Fund would provide loan guarantees to financial institutions that provide loans to eligible businesses.

The Board of Supervisors recently approved a resolution, (File 183-92-2) that would authorize the transfer of \$1.8 million from the Urban Development Action Grant Revolving Loan Fund into an Enterprise Zone Working Capital Loan Guarantee Program. This Enterprise Zone Working Capital Loan Guarantee Program would provide a loan guarantee to banks for working capital loans for businesses located within the Enterprise Zone area that want to establish working capital loans. The Enterprise Zone Working Capital Loan Guarantee Program, if approved, would be implemented in mid-May, 1992, Mr. Kent Sims of the Mayor's Office of Economic Planning and Development advises. 24th Street between Mission Street and Potrero Avenue is located within the Enterprise Zone, and therefore businesses would be eligible to apply for loans through the City's overall Enterprise Zone Working Capital Loan Guarantee Program. SFRA proposes to implement the \$240,000 Working Capital Loan Fund in addition to the \$1.8 million Enterprise Zone Working Capital Loan Guarantee Program. According to Mr. Sims, if \$240,000 is allocated to provide loans specifically to 24th Street merchants, such funds should be combined

with the \$1.8 million Enterprise Zone Working Capital Loan Guarantee Program and designated as 24th Street funds, rather than establishing a separate fund. Mr. Sims advises that since guaranteed loan funds require the cooperation of private businesses, it would be much simpler to organize and administer a single fund. Also, Mr. Sims advises that a revolving fund established specifically for 24th Street may be duplicative if 24th Street businesses already have access to the City-wide loan guarantee funds.

3. The Street Improvements, at \$40,000, currently under consideration include (1) increased wattage of existing street lamps; (2) installation of trash receptacles on several street corners; and (3) brackets to be installed on existing street lamps in order to hang banners for future 24th Street programs.

4. This proposed program, which does not include staff, facade improvements, and other costs included in the 24th Street Revitalization Committee's original proposal, has been approved by the Redevelopment Agency Commission. However, the Mayor's Office of Economic Planning and Development, which would need to approve the proposed program before transferring the \$1 million to the Redevelopment Agency, has not yet approved the proposed program, Mr. Sims advises. Furthermore, according to Mr. Sims, until an economic development plan is completed for the Mission, it is difficult to determine whether the \$1 million proposed for 24th Street merchants could be better used to provide other services.

5. As noted above, SFRA proposes to use tax increment funds included in their 1989-90 budget, but never previously expended, to support the 24th Street project. Mr. Bob Gamble of SFRA advises that approximately \$7 million was budgeted for a housing development on six sites in Bayview/Hunters Point. According to Mr. Gamble, two of the sites have been built, and construction will begin on the remaining four in approximately one year.

6. An Indebtedness Limitation Agreement is a legal agreement developed by the City to limit the amount of tax increment backed bonds SFRA is authorized to issue in a given fiscal year and to limit the amount of tax increment revenues SFRA is able to claim each year. Such indebtedness accumulates from year to year. SFRA has been issuing tax increment bonds for three years; prior to that, SFRA received funds from various sources. (For a description of tax increment bonds, see Comment 10.)

7. The Board of Supervisors approved a cap of \$50 million in tax increment backed bonds in SFRA's fiscal year 1991-92 budget. However, that amount was not specifically written into the Indebtedness Limitation Agreement, and as of November, 1991, SFRA had sold \$56.9 million in bonds. As a result, in November 1991, the Board of Supervisors approved an increase of \$10 million in the Indebtedness Limitation Agreement, from \$50 million to \$60 million, with the understanding that SFRA would include the specific limit of \$60 million in the Indebtedness Limitation Agreement. According to the proposed resolution, the Indebtedness Limitation Agreement would need to be amended to reflect an increase in the \$60 million cap on bond issuance for the proposed \$1 million tax allocation bond issue. However, as noted above, SFRA has issued bonds totalling \$56.9 million, which should allow them to issue up to an additional \$3.1 million in bonds without amending the Indebtedness Limitation Agreement to increase the cap. As of the writing of this report, the Controller has not confirmed whether SFRA has reached the \$60 million cap on bond issuance.

8. Based on 30 year taxable bonds at 9.5 percent interest, to support the proposed \$1 million additional tax allocation bonds, according to the proposed resolution, SFRA would need \$101,680 each year, including the current year, to pay back the proposed bonds. To authorize such a payment, SFRA's Indebtedness Limitation Agreement would be amended under the proposed resolution to increase the tax increment revenues received by SFRA by \$100,000 in each year, including the current year, until repayment of the bonds. Mr. Gamble advises that SFRA has overclaimed the amount needed to pay back existing bonds in 1991-92 by approximately \$500,000. If this is the case, SFRA would not need to amend the Indebtedness Limitation Agreement this year to increase the tax increment revenues they are authorized to receive in order to proceed with the proposed bond issue. As of the writing of this report, the Controller has not confirmed that SFRA has overclaimed the amount needed to pay back existing bonds.

The title of the proposed resolution states that this \$100,000 would be an appropriation. However, this is incorrect, according to the text of the proposed resolution. The title of the proposed resolution should read "increase the Agency's annual state of Indebtedness for Fiscal Year 1991-92," not "appropriation of \$100,000."

9. The Mayor's Office does not need to approve the SFRA's budget or any amendment to SFRA's budget, such as the proposed resolution. However, the Mayor's Office would need to sign any revisions to the Indebtedness Limitation Agreement. As noted above, if SFRA has not reached its cap, either for the issuance of bonds or for tax increment revenues received, it would be unnecessary to amend the Indebtedness Limitation Agreement for 1991-92. However, Mr. Gamble advises that if an amendment to the Indebtedness Limitation Agreement is included in the proposed resolution, instead of only an amendment to SFRA's budget, the Mayor's Office would be included in the approval process.

10. Tax allocation bonds are the same as tax increment backed bonds. Tax increment funds are created as follows: when a redevelopment project area has been defined, the property tax revenue amount in that area is frozen. Any increases in property tax revenues after such a tax revenue freeze are considered attributable to redevelopment activities and dedicated to financing development-related costs in that area. Tax increment funds are usually used to repay tax increment backed bonds that are issued to finance redevelopment activities.

11. 87.5 percent of property tax revenue are revenue to the City's General Fund, so that any increase in SFRA's portion of property tax revenues through this type of financing results in a direct decrease to the City's General Fund revenue. The remaining property tax revenue is distributed as follows: San Francisco Community College District, at 1.3 percent; San Francisco Unified School District, at 7.5 percent; Bay Area Air Quality Management District, at .2 percent; and Bay Area Rapid Transit, at 3.5 percent. In this case, the annual cost would be \$101,680 every year for 30 years (or a total of \$3,050,400 in nominal dollars, and \$1,563,000 present value using a discount rate of five percent over 30 years), the amount required annually to repay the proposed bond, as noted above. The General Fund's portion, at 87.5 percent, would be \$88,970 per year in nominal dollars, or a total of \$2,669,100 in nominal dollars and \$1,367,625 in present value using a discount rate of five percent over 30 years. The property tax revenue to the agencies noted above would be reduced according to their percentage share.



12. As noted above, according to State Community Redevelopment Law, tax increment funds may not be expended for economic development outside of project areas. The purpose of tax increment funds is to benefit redevelopment project areas. This legislation is technically within the restrictions of the State Community Redevelopment Law because it transfers tax increment funds to HCD to be spent according to the Community Development law, while using replacement HCD funds for economic development outside SFRA project areas. However, it could be considered to circumvent the intent of the State Community Development law because the result of the proposed legislation would be to use SFRA tax increment funds to support economic development in a non-project area.

13. The Budget Analyst's Management Audit Report of the San Francisco Redevelopment Agency of January 1992, recommended that the Board of Supervisors should not approve any additional funds for SFRA economic development programs until the SFRA Commission adopts and submits to the Board of Supervisors a comprehensive implementation plan and the Mayor's Office of Economic Planning and Development established specific City-wide goals and objectives. According to Mr. Gamble, such a plan is in process, and will take approximately six months to complete.

According to Mr. Sims, the Mayor's Office of Economic Planning and Development anticipates developing a plan for economic development in the Mission, which would include neighborhood commercial economic guidelines. Mr. Sims advises that such a plan for Bayview/Hunters Point is nearing completion. The Mayor's Office of Economic Planning and Development will begin developing a plan for the Tenderloin and then the Mission after the Bayview plan is complete. Mr. Sims advises that the Mission plan is anticipated to be complete by the end of Summer, 1992. According to Mr. Sims, the Mayor's Office of Economic Planning and Development would prefer that approval of any economic development activities in the Mission be continued until after the completion of the Mayor's Office of Economic Planning and Development Mission plan.

14. The Budget Analyst recommends that the proposed legislation be continued until the Mayor's Office of Economic Planning and Development completes its economic development plan for the Mission. If the Board of Supervisors does not continue the proposed legislation, the following issues should be considered: (1) the Mayor's Office of Economic Planning and Development, which would need to

approve the proposed program before transferring the \$1 million to the Redevelopment Agency, has not yet approved the proposed program; (2) the proposed bonds would support economic development programs while the Redevelopment Commission has still not adopted and has not submitted to the Board of Supervisors, for approval, a comprehensive implementation plan and the Mayor's Office of Economic Planning and Development has not established specific City-wide goals and objectives; (3) \$240,000 would support a revolving loan fund for 24th Street alone, when a \$1.8 million revolving loan fund has been approved for the entire Enterprise Zone, of which the Mission's 24th Street is a part; (4) the proposed resolution would require a 30 year commitment of \$88,970 per year in General Fund monies, or a total of \$2,669,100 in nominal dollars and \$1,367,625 in present value using a discount rate of five percent over 30 years; and (5) the proposed project is outside of SFRA's project areas, and therefore circumvents the intent of State Community Redevelopment Law.

- Recommendations:**
1. Continue the proposed resolution until the Mayor's Office of Economic Planning and Development completes its economic development plan for the Mission.
  2. If the Board of Supervisors approves the proposed resolution, the title should be amended to read "increase the Agency's annual state of indebtedness by \$100,000 for Fiscal Year 1991-92," not "an appropriation of \$100,000 for Fiscal Year 1991-92."





Item 8 - File 79-92-2

**Item:**

Resolution approving an amendment to the 1992 Community Development Program final proposal; the acceptance of \$1 million of taxable bond proceeds from the San Francisco Redevelopment Agency; and the transfer of \$1 million of Community Development Block Grant funds to the San Francisco Redevelopment Agency.

**Description:**

According to Ms. Chris Haw of the Mayor's Office of Housing and Community Development (HCD), the proposed resolution is a companion resolution to File 161-91-5 (see Item 7 on the agenda for this Finance Committee Meeting). File 161-91-5 is a proposed resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1991-92; the issuance of tax allocations bonds in an amount not to exceed \$1 million; increase the Agency's annual statement of indebtedness by \$100,000 for Fiscal Year 1991-92; and an amendment to the Indebtedness Limitation Agreement.

On November 27, 1991, the Board of Supervisors approved HCD's Community Development Block Grant (CDBG) Program Final Proposal (Resolution 1060-91). According to Ms. Haw, in order to transfer \$1 million of CDBG funds from HCD to SFRA in exchange for \$1 million in tax increment bond funds, as proposed in File 161-91-5, such an action would require an amendment to the 1992 Community Development Program Final Proposal. The proposed resolution would approve such an amendment. Ms. Haw advises that the proposed resolution makes no substantive changes to SFRA's 24th Street Commercial Revitalization and Economic Development Program, which is described in the preceding report.

**Recommendation:**

If the Board of Supervisors approves File 161-91-5, approve the proposed resolution.



Item 9 - File 100-91-1.25

**Department:** Superior Court  
Municipal Court

**Item:** Release of reserved funds for Community Based Alternative Defense Program

**Amount:** \$750,000 (\$540,000 - Superior Court; \$210,000 - Municipal Court)

**Source of Funds:** General Fund

**Description:** In approving the City's annual budget for FY 1991-92, the Board of Supervisors reserved \$540,000 of Superior Court funding and \$210,000 of Municipal Court funding for professional services related to indigent defense in conflict cases, pending a report back to the Finance Committee on the feasibility and benefits of having a community-based organization provide professional services for a portion of the conflict cases workload.

The Superior Court and Municipal Court are now requesting the release of \$540,000 and \$210,000 of reserved funding, respectively, for the purpose of funding indigent defense in conflict case requirements.

**Comments:**

1. The Public Defender normally provides defense services in cases where the defendant is found by the courts to be indigent. However, some cases would place the Public Defender in a conflict where that Office to provide such services. In approximately 10 percent of all cases referred to the Public Defender, the Public Defender's Office is required by law to "conflict out" of the case, according to Mr. Jeff Brown, the Public Defender. Such occasions normally arise under two conditions: (1) there are co-defendants in the case, or (2) the defendant has served as a material witness in another case served by the Public Defender. In those cases, the Courts select an outside attorney to provide counsel for indigent defendants from a list of attorneys provided to the Courts by the San Francisco Bar Association.
2. Budget and expenditure information for Superior Court and Municipal Court for indigent defense in conflict cases are as shown below:

Memo to Finance Committee  
April 29, 1992

	Original <u>Budget</u>	Revised <u>Budget</u>	Expenditures Through <u>March 31</u>	Available <u>Balance</u>
Superior Court*	\$5,930,555	\$6,015,764	\$4,316,065	\$1,699,699
Municipal Court	\$1,777,790	\$1,777,790	\$1,183,308	\$594,482

\* The \$85,209 difference between Superior Court's original and revised budgets is due to a transfer of surplus funds in Superior Court's Arbitration Program to the conflict case account.

3. Expenditure information on the Superior Court and the Municipal Court is as follows:

	Average Monthly Expenditure <u>7/92-3/92</u>	Amount Needed for <u>April-June</u>	Amount <u>Available</u>	Additional Amount <u>Needed</u>	Budget Analyst Recommended <u>Reduction</u>
Superior Court	\$479,563	\$1,438,689	\$1,159,699*	\$213,480***	\$326,520
Municipal Court	\$131,479	\$394,437	\$384,482 **	\$68,476 ****	\$141,524

\* Excludes \$540,000 of the reserved funds.

\*\* Excludes \$210,000 of the reserved funds.

\*\*\* Straight line average would be \$278,990. However, net transfers of \$65,510 are available to the Superior Court for funding conflict case requirements (\$278,990 less \$65,510 equals \$213,480).

\*\*\*\* Straight line average would be \$9,955. However, an additional allowance of \$58,521 is recommended because the Municipal Court has experienced extraordinary expenses of \$141,863.75 for funding conflict case requirements for the period April 1 - April 10, 1992 (\$58,521 plus \$9,955 equals \$68,476).

An allowance of \$58,521 would provide the Municipal Court with total funding of \$452,958 for the three-month period of April through June of 1992. The total of \$452,958 would provide funding in the amount of \$190,000 for April, which exceeds the amount for conflict cases in any of the previous nine months of FY 1991-92, and the average monthly expenditure amount of \$131,479 for May and June of 1992.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The Budget Analyst was assigned to prepare a report on the matter of indigent defense costs in cases where the Public Defender is found to be in conflict. The Superior Court has been developing a system for compiling case and cost data and the Budget Analyst has spent considerable time verifying and compiling the data to provide such an evaluation. We have also reviewed internal controls over such cases and note that such controls have been strengthened by recent efforts of the courts.

Another element of the assignment to the Budget Analyst was to review a proposal for provision of such indigent defense services by a community-based legal defense organization. A preliminary proposal was submitted, in December 1991 on behalf of the Mission Community Legal Defense and the Bayview/Hunter's Point Community Defender agencies. However, the Bayview/Hunter's Point agency subsequently withdrew from the joint proposal. We were informed that a new proposal would be submitted in late January or early February of 1992. As of the date of this writing, no such proposal has been submitted.

Whether or not the proposal for community-based indigent defense is forthcoming, the Budget Analyst will prepare and issue a report on this matter in May, 1992.

- Recommendations:**
1. Release \$213,480 of the requested \$540,000 for the Superior Court. Do not release the remaining \$326,520.
  2. Release \$68,476 of the requested \$210,000 for the Municipal Court. Do not release the remaining \$141,524.





Item 10 - File 100-91-1.26

**Department**                      Airport

**Item:**                              Release of Reserved Funds for converting heating and cooling controls from the Robertshaw system to the Airport's Honeywell system and to repair the pneumatic system.

**Amount:**                         \$110,000

**Source of Funds:**             Airport Operating Funds

**Description:**                  During the 1991-92 budget process, the Board of Supervisors placed \$261,000, included in the Airport's budget for Airport operation's professional and contractual services and \$100,000 for Airport Environmental Control Program contractual services, on reserve pending identification of the contractor, estimated hours and hourly rates and information regarding the MBE/WBE status of the contractors.

The Airport is now requesting that a total of \$110,000 be released from reserve (\$55,000 from Airport operation's professional and contractual services plus \$55,000 from Airport Environmental Control Program contractual services). Mr. Mel Leong of the Airport's Environmental Control Program reports that the \$110,000 will be used to pay for contract services for the modification and repair of the electronic air-conditioning and heating system (the Robertshaw System and the Honeywell System) in the North Terminal of the Airport. The Environmental Control Program is responsible for overseeing air quality within as well as outside of the Airport terminal. Mr. Leong advises that the Airport has selected Honeywell Inc., through its Invitation for Bid process, to provide the necessary contract services. According to Mr. Leong, Honeywell Inc. was responsible for the initial installation of the air-conditioning and heating system and has an on-going contract with the Airport for the maintenance of this system. Honeywell Inc. is neither a MBE or WBE firm.

Mr. Leong anticipates that the repair work on the air-conditioning and heating system will commence by May 11, 1992 and will be completed by June 30, 1992.

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**Comment:** The Controller's Office reports that of the \$261,000 placed on reserve for Airport operation's professional and contractual services there is currently a remaining balance of \$123,845. Of the \$100,000 placed on reserve for Airport Environmental Control Program contractual services, there is currently a remaining balance of \$55,000.

**Recommendation:** Approve the proposed release of reserved funds in the amount of \$110,000.

Item 11 - File 101-91-65

**Department:** Department of Social Services (DSS)

**Item:** Ordinance appropriating \$7,537,000, Department of Social Services, for General Assistance, Foster Care and Adoption Aid

**Amount:** \$7,537,000

**Source of Funds:** General Fund (\$6,785,320)  
State and Federal Subventions (\$751,680)

**Description:** Due to increases in caseload size, increases in per case costs, and other factors, the amount required by DSS to implement General Assistance (GA), Foster Care, and Adoption Aid through the end of the fiscal year has increased. The proposed supplemental appropriation would increase budgeted expenditures by the following amounts, if approved as requested:

General Assistance - General Fund		\$6,300,000
Foster Care		
General Fund (46%)	\$426,420	
State and Federal (54%)	<u>500,580</u>	
Total		927,000
Adoption Aid		
General Fund (19%)	\$58,900	
State and Federal (81%)	<u>251,100</u>	
Total		<u>310,000</u>
Total Supplemental Appropriation Request		\$7,537,000

According to DSS, the Fiscal Year 1991-92 budget was based on caseload projections from February 1991. The FY 1991-92 budget includes \$42,819,374 for GA, based on an anticipated average monthly GA caseload of approximately 13,009 with an average monthly grant of \$316, less savings for SSI reimbursements and cancelled warrants. DSS is now anticipating an average monthly GA caseload for 1991-92 of between 14,042 and 14,138 and an average monthly grant of \$337 less savings for SSI reimbursements and cancelled warrants. DSS anticipates that total GA costs for FY 1991-92 will be approximately \$49.1 million, for a total projected shortfall of \$6.3 million.

\$44,128,859 was included in the FY 1991-92 budget for Foster Care. DSS is projecting a Foster Care shortfall of \$927,000 based on actual expenditures of \$33,531,363 through March, 1992, adjusted for increasing caseloads. The General Fund share for Foster Care is 46 percent of the total cost, or \$426,420. According to Ms. Kipper, expenses are higher than anticipated because placements of children with serious physical and emotional problems has been lengthy and expensive. In addition, Ms. Kipper advises that it is sometimes difficult to reunite children from substance abusing homes with their families.

\$3,413,220 was included in the FY 1991-92 budget for Adoption Aid. DSS is projecting a shortfall in Adoption Aid of \$310,000 based on actual expenditures of \$2,727,501 through March, 1992, adjusted for increasing caseloads. The General Fund portion for Adoption Aid is 19 percent of the total cost, or \$58,900. According to DSS, because eligibility for the Adoption Aid program changed a short time ago, projections are not always accurate.

**Comments:**

1. From July, 1989 through October, 1991, the number of GA monthly cases increased from 8,657 to 14,000, an average increase of approximately 206 cases per month for 26 months. Since October, 1991, the number of monthly GA cases has fluctuated between 13,856 and 14,044. Ms. Kipper advises that a number of factors may have contributed to this stabilization. First, in 1991, DSS implemented a policy that shifts responsibility from DSS to the GA recipient for maintaining personal identification and doctor's verification of unemployability. Second, GA recipients' eligibility must be reconfirmed, or recertified, every six months. Previously, DSS had fallen behind in its recertifications. According to Ms. Kipper, DSS has made recertifications a higher priority for this fiscal year, and as a result, more ineligible recipients have been terminated. Third, San Francisco's economy may have reached its low point during the later part of 1991.

The number of caseloads jumped to 14,414 in March, 1992. However, total expenditures were substantially lower in March than projected. DSS cannot explain this apparent inconsistency at this time. Ms. Kipper advises that since the GA caseload is difficult to project, DSS believes that no one knows at this time whether this March, 1992 increase in caseloads is a unique situation or whether this represents renewed growth in the number of cases per month.

2. Because funds are recovered by DSS for cancelled warrants and SSI reimbursements, the average cost per caseload

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varies from month to month, and months with the highest caseloads are not necessarily the months with the highest net costs. For example, the month with the highest number of cases for FY 1991-92 was March, 1992, with 14,414 cases, at a total cost for GA, including recoveries, of \$3,995,986. However, the maximum net monthly cost expended for GA in FY 1991-92, net of recoveries, was \$4,231,000 during the month of November, 1991, while the number of caseloads for that month was 13,856. If expenditures for GA for April, May and June were equal to the highest maximum net monthly cost for FY 1991-92, or \$4,231,000 per month, then the total projected cost for GA for FY 1991-92 would be \$48.81 million. Approximately \$42,800,000 was included in DSS' FY 1991-92 budget for GA, so that the amount required by DSS for GA, if the total cost of GA through the end of the fiscal year equals \$48.81 million, would be \$6.01 million.

The proposed supplemental appropriation would appropriate \$6.3 million to GA. Since (a) the GA caseload is believed to be stabilized; (b) the number of cases is not directly associated, on a month to month basis, with GA costs; and (c) the Budget Analyst projects that the total additional funds required by DSS through the end of the fiscal year will not exceed \$6.01 million. Therefore, the proposed supplemental appropriation request of \$6.3 million for GA can be reduced by \$290,000 to \$6.01 million.

3. Ms. Kipper advises that the \$6.01 million projected by the Budget Analyst may be insufficient to support GA through the end of the fiscal year. According to Ms. Kipper, the total cost for GA for March, 1992 did not increase with the number of cases because of the unusually small average cost per case of \$277. At this time, the reason for this small net average cost per case is unknown. In addition, there were unusually high SSI recoveries in March, Ms. Kipper reports, and the reason for such high recoveries is also unknown. The average cost per case for FY 1991-92 through March 1992 is approximately \$290 per case. If the average cost per case for April, May and June equals \$290 per case, or \$13 per month more than the \$277 average for March, and the number of cases remains at 14,414, representing the highest monthly caseload for the fiscal year, then the Budget Analyst's projections would still be sufficient, thereby permitting a reduction of at least \$290,000.



4. During the 1991-92 budget hearings, the Budget Analyst projected that a GA appropriation of \$42,819,000 would be insufficient to fund the entire fiscal year, and that DSS would need to request an additional approximately \$5.5 million for the GA account in 1991-92.

**Recommendation:** Reduce the proposed supplemental appropriation request for General Assistance of \$6.3 million by \$290,000 to \$6.01 million, and approve, as amended. Approve the monies for Foster Care and Adoption Aid as requested.

Item 12 File 65-92-4.1

**Department:** Real Estate Department  
San Francisco General Hospital

**Item:** Authorizing and approving an amendment to the lease of the Fifth and Sixth Floors of Building 3 at San Francisco General Hospital to the Regents of the University of California.

**Description:** On March 2, 1992, the Board of Supervisors approved a new lease of the Fifth and Sixth Floors of Building 3 at San Francisco General Hospital to the Regents of the University of California (File 65-92-4). The University proposed to assign the lease to J. David Gladstone Institutes for laboratory purposes for the continuous, active conduct of medical research of virology and immunology as it relates to discerning the molecular biology and biochemistry of the HIV virus.

The current average monthly cost for the proposed lease is approximately \$33,046, for a total annual rental revenue of \$396,549. This amount includes rent and utilities for improved and unimproved space, as follows:

Improved Space

Rent (\$0.85 per square foot per month x 21,775 square feet x 12 mos.)	\$222,105
Utilities and Services (\$0.59 per square foot per month x 21,775 square feet x 12 mos.)	154,167

Unimproved Space

Rent (to be assessed after improvements are complete at the same rate as the improved space, adjusted for the Cost of Living Index)	0
Utilities and Services (\$0.295 per month x 5,728 square feet x 12 months)	<u>20,277</u>

TOTAL ANNUAL RENTAL REVENUE	\$396,549
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Prior to the approval of the new lease, the Fifth and Sixth Floors of Building 3 were occupied on a three month basis, from November 15, 1991 to February 15, 1992, at a monthly rent of \$13,065. During the period after the temporary lease expired and before the permanent lease was approved, UCSF was to continue to pay rent at the rate of the three month lease, or a total monthly cost of \$13,065. The lease was to commence on the date of execution and continue until

June 30, 2010, approximately 18 years. The proposed resolution would approve an amendment to the lease to make the commencement date for the higher monthly rental retroactive to February 15, 1992, the date the interim lease expired. According to Mr. Robert Haslam of the Department of Real Estate, because of the continuing negotiations, the final lease has not yet been executed and UCSF is still paying rent at the lower interim rate. The earliest date the proposed amendments to the lease could be approved by the Board of Supervisors and executed would be May 4, 1992. If the proposed amended lease is approved, the additional revenue that would be gained by the City because of the higher monthly rental for the period from February 15, 1992 to May 4, 1992, approximately two and one half months, would be \$49,953 (\$19,981 per month for two and one half months). In addition, UCSF would specifically self-insure the Fifth and Sixth floors of Building 3 retroactive to February 15, 1992 and continuing throughout the term of the proposed new lease, the DPH advises. According to Mr. Haslam, although UCSF self-insures all of its rental sites at SFGH, since the interim lease expired on February 15, 1992, there has been no specific insurance coverage for the Fifth and Sixth Floors of Building 3.

The proposed resolution would also authorize an amendment to the lease to add a new article which makes all rights and obligations of the parties retroactive to February 15, 1992, the commencement date of the proposed amended lease.

Mr. Haslam advises that the contractor who installed the flooring in the improved section of the site set tiles into wet concrete, and the tiles curled as a result. The proposed resolution would authorize an amendment to the lease to guarantee that the City would insure that this flooring be replaced by the contractor in accordance with the plans and specifications for the improvements. According to Mr. Haslam, the contractor is responsible to pay the cost of replacing the flooring, but under the proposed amendment to the lease, the City would be responsible to ensure that the contractor fulfills its obligation to replace the flooring.

At the request of the Finance Committee, the lease approved by the Board of Supervisors contains a provision allowing either the City or the Regents to terminate without fault upon two years' prior written

notice. However, Mr. Haslam advises that this provision was not acceptable to the J. David Gladstone Institutes because J. Gladstone Institutes is investing over \$10 million in research at the site. According to Mr. Haslam, Gladstone would prefer that the lease contain no termination agreement. However, through the negotiation process, Gladstone has agreed to a clause whereby the parties of the lease would discuss the circumstances under which the lease could be terminated without fault if either party wishes to terminate. Mr. Haslam reports that this proposed amendment, whereby no specific amount of time for termination is specified, would allow Gladstone the maximum period of time in the event that the lease is terminated. If the lease is not terminated, Gladstone would continue payment of the monthly rent at the new higher rate of \$33,046.

The proposed resolution would also authorize an amendment giving certain options to Gladstone in the event that the City terminates its affiliation agreement with UCSF, or ceases to operate SFGH. In either of these situations, this provision would give Gladstone the option, as the assignee of UCSF, to either continue this lease agreement or to terminate. If Gladstone elects to continue the lease, the City would reimburse Gladstone for costs reasonably necessary to continue the lease. SFGH advises that, even in the unlikely event of a termination of the City's affiliation agreement with UCSF or the City's inability to operate SFGH, SFGH does not anticipate that any costs would be reasonably necessary for Gladstone to continue occupancy. The proposed new lease specifies, pursuant to the Charter, that such costs would be subject to the Controller's certification that funds are available for this purpose, Ms. Leslie Braverman of the City Attorney's Office advises. Based on the fact that any funds must first be certified by the Controller, Ms. Braverman and SFGH advise that the risk of the City incurring a cost as a result of this amendment is very slight, if any.

According to Ms. Braverman, Gladstone would participate in the proposed lease in association with UCSF. Gladstone must maintain an association with a research hospital in order to maintain its tax exempt status, even if UCSF and SFGH terminate their association, Ms. Braverman reports. The proposed amendment to the lease would allow Gladstone to continue to operate the research center under the

lease, even if the City no longer has a direct relationship with UCSF. SFGH advises that it is very unlikely that UCSF and SFGH would terminate their association.

**Recommendations:**

(1) We believe that approval of the proposed resolution, which among other things would result in increased revenue to the City of \$49,953, is in the best interests of the City.

(2) However, since approval of the proposed amendment to the lease could require the City to reimburse Gladstone for costs reasonably necessary to continue the lease, subject to availability of funds, in the event that the City terminates its affiliation agreement with UCSF or ceases to operate SFGH, we consider this proposed resolution to be a policy matter for the Board of Supervisors.



Item 13 - File 65-92-8

**Department:** Port of San Francisco

**Item:** Ordinance approving termination of the ten year lease between Forest Terminals Corporation and the City and County of San Francisco, for Pier 48 Newsprint Terminal, operating by and through the San Francisco Port Commission.

**Location:** Pier 48 A and B

**Lessee:** City and County of San Francisco, operating by and through the San Francisco Port Commission

**Number of Sq. Ft.:** 158,876 square feet

**Revenue Per Month:** Under the original lease agreement, Forest Terminals Corporation had provided the City with a minimum revenue guarantee of \$225,000 per year, or \$18,750 per month, in wharfage and dockage payments. No stipulations were made about specific wharfage or dockage revenues. Rather, the only requirement was that Forest's combined wharfage and dockage revenues equal \$225,000 per year. Wharfage refers to the charges assessed against cargo for the use of the terminal facilities. Dockage refers to fees assessed against ships that tie up at the facilities.

**Term of Original Lease:** The original lease agreement commenced on March 1, 1985 and was to expire on February 28, 1995, a term of ten (10) years. This lease agreement constituted a renewal of a previous lease agreement for Pier 48 and specified that Pier 48 was to be used exclusively as a marine terminal and distribution warehouse.

**Rationale Behind Proposed Lease Termination Agreement:** Both the Port and Forest Terminals Corporation wish to terminate the lease prior to the expiration of the term because of recent permitting difficulties and increasing maintenance dredging costs which do not make it cost effective for the Port to dredge Pier 48, rendering it unsuitable for newsprint ships due to its shallow depth. Both the Port and Forest Terminals Corporation believe that the termination of this lease, in conjunction with Forest's decision to transfer its newsprint operations to Piers 27/29, is fair to Forest and beneficial to the Port, and would avoid



costly litigation between the two parties concerning a breach of contract as well as the complete loss of Forest as a tenant of the Port.

**Term of Proposed  
Lease Termination  
Agreement:**

The effective date of the proposed lease termination agreement is May 1, 1992.

**Description:**

Under the proposed lease termination agreement, Forest Terminals Corporation would pay the sum of \$44,618 (see Comment No. 5 below) to the Port as well as any amounts due to the Port from Forest Terminals Corporation for the contract year which commenced on March 1, 1992.

The proposed lease termination agreement would also provide for the surrender of Pier 48 to the Port on or before May 1, 1992, in good condition, with Forest Terminals Corporation being liable to the Port for the Port's costs for storing, removing, and disposing of any trade fixtures or personal property that remains on the premises on May 1, 1992.

**Comments:**

1. Forest Terminals Corporation has just completed the seventh contract year of its ten-year agreement with the Port. Mr. Jack Pizza of the City Attorney's Office advises that there are substantial legal issues that are raised because of the inability of the Port to dredge to the depth required by the original lease agreement (i.e., to maintain berthing spaces to a depth of 35 feet Mean Low Low Water, as provided in Paragraph 7 of the original lease agreement), due to the high costs of dredging Pier 48, and that such a default on the part of the Port would give Forest the right to terminate the agreement as well as sue for damages. Mr. Pizza further advises that the City Attorney would be available in executive session to discuss with the Board the legal implications of the Port's inability to dredge Pier 48, since the original lease agreement clearly states that the maintenance of the water level is one of the Port's maintenance responsibilities. The original lease agreement provides in Paragraph 2(c) that upon request by the Tenant, the Port may relocate the Tenant to another available Port facility, provided that mutual agreement can be reached on all terms and conditions. Furthermore, the original lease agreement stipulates in Paragraph 12(a) that if the premises are damaged, seized or the operation thereof abated so as to render the premises untenable or unfit for use, the Port agrees to use its best efforts to relocate the Tenant in substitute Port facilities suitable for the Tenant's

use. If the Port cannot relocate the Tenant, the Tenant is given the right to terminate the lease agreement.

2. Due to the recent extraordinary difficulty and expense associated with dredging, the Port has been unable to complete routine maintenance dredging of Pier 48. According to Mr. Roger Peters, Acting Director of Cargo Services at the Port, it would cost approximately \$10,000 to \$15,000 to test Pier 48 to determine whether or not the material to be dredged could be disposed of in the San Francisco Bay. He estimates that if the test results show that the dredged mud (constituting 160,000 cubic yards) could be disposed of in the Bay, it would cost about \$2.00 per cubic yard or \$320,000. Additionally, Mr. Peters estimates that if the test results show that the dredged mud must be disposed of on shore, it will cost approximately \$20.00 per cubic yard or \$3.2 million. Consequently, the berth can no longer accommodate one of the two vessels being used in Forest's newsprint operations.

3. Forest's parent company, Fletcher Challenge Paper Company, has conducted an exhaustive study of alternative ports and terminals and decided to transfer its operations to Piers 27/29, which is currently operated for the Port by management contract by Marine Terminals Corporation. According to Mr. Peters, Forest moved its newsprint operations to the public terminal at Piers 27/29 on approximately April 1, 1992 and has signed a proprietary terminal/stevedoring agreement with Marine Terminals Corporation, such that Marine Terminals loads and unloads ships and receives and delivers goods on behalf of Forest. Under the amended management contract between the Port and Marine Terminals Corporation, the Port receives wharfage and dockage fees from users and pays Marine Terminals according to the following three-tiered rate system: the Port gets 100 percent of the first \$435,000 in revenues it receives from Piers 27/29; for any revenues exceeding \$435,000 up to \$765,000, Marine Terminals will receive 50 percent while the Port receives the other 50 percent; and for any revenues exceeding \$765,000, Marine Terminals will receive 75 percent while the Port receives the other 25 percent.

4. In light of Fletcher's decision to completely move Forest's newsprint operations to Piers 27/29, the Port has amended its management contract with Marine Terminals Corporation, such that the first tier of its three-tiered rate system was raised from \$320,000 to \$435,000 (or \$115,000 more in revenues the Port does not need to share with

Marine Terminals), whereby the Port will now receive 100 percent of the first \$435,000 of revenues. Under this management contract, Forest and other tenants would pay the Port for the use of Piers 27/29 and if Marine Terminals is unable to generate its guaranteed minimum revenue stream of \$285,000, Marine Terminals would be responsible for coming up with the shortfall in revenues, or be subject to cancellation of its management contract. During the seventh year of its contract with the Port, Forest's revenues totaled \$190,382, resulting in its falling short of the guaranteed revenue stream under its original lease agreement of \$225,000 by \$34,618. By also factoring in current industry trends (including the recession's negative impact on the newsprint business), Mr. Peters has determined that the amount of cargo handling by water is decreasing, causing the Port to arrive at \$165,000 per year as being a reasonable estimate of Forest's current minimum revenue stream. The major reason that the Port has not factored in revenues greater than \$165,000 for Forest when altering its tiered rate schedule for Piers 27/29 but rather, has agreed to only raise its first tier by \$115,000, is because both Marine Terminals and Forest are expected to assume additional costs because of Forest's transference of operations to Piers 27/29 (particularly costs associated with high piling of cargo and additional storage costs). Mr. Peters estimates that the Port is losing \$25,000 annually in revenues that it cannot collect and that Forest is assuming an additional \$25,000 annually in costs due to the move from a private terminal to a public one. Mr. Peters also stressed that there has been a longstanding and positive working relationship between Marine Terminals Corporation and Forest, with Marine Terminals acting as the stevedore for Forest at Pier 48.

5. The \$44,618 which the Port is asking Forest to pay to the Port as part of the lease termination agreement consists of \$34,618, which is the annual shortage of revenue versus Forest's annual minimum revenue guarantee for the seventh contract year (\$225,000 annual guarantee less \$190,382 actual annual revenue stream), plus \$10,000, representing \$5,000 per month between March 1, 1992 and May 1, 1992, a contribution to offset the interruption of the revenue stream at Pier 48 while the facility remains vacant.

6. Mr. Peters indicated that the Port has already begun to explore the feasibility of alternative uses at Pier 48 (particularly for more shallow vessels), and has and will continue to actively seek out offers from various prospective tenants. As of the writing of this report, Mr. Peters reports

that the Port has received one offer relating to the use of Pier 48, but that the Port has no binding agreement for any prospective tenant to lease Pier 48. Among the alternative uses under consideration would be for the Port to use Pier 48 for small charter ships bringing coffee from Latin America, in light of the Port's designation as the third coffee exchange in the U. S., effective July 1, 1992, by the Coffee, Cocoa and Sugar Board.

7. Another alternative would be the use of Pier 48's present warehousing facility as part of an active transit operating facility in which various goods, including agricultural products, frozen meat and cotton, could be temporarily stored there before being transported elsewhere. Since Forest used Pier 48 as the primary warehouse for newsprint, Mr. Peters believes the Port would not incur additional costs in preparing Pier 48 for such alternative uses.

8. Mr. Pizza of the City Attorney's Office advises that the rationale for making the effective date of the proposed ordinance May 1, 1992 rather than March 1, 1992 was that by the time the Port Commission passed a resolution to approve the termination of the lease agreement for Pier 48, March 1 had already passed. Therefore, May 1, 1992 was the best estimation at that time of the date by which the appropriate approval processes would be completed. However, if the Board decides to approve this proposed ordinance, it will have to do so retroactively since the Board will not be able to finally approve the proposed ordinance until May 11, 1992 at the earliest.

#### Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to take effect retroactively on May 1, 1992.





Item 14 - File 23-92-4

**Department:** Controller's Office

**Item:** Resolution waiving the statute of limitations with respect to payment of two warrants of the City and County of San Francisco in the sum of \$408.86, a legal obligation of the City and County of San Francisco.

**Description:** According to Section 10.181 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present such warrants to the Controller for payment up to three years from the date that it was considered invalid, or four years from the original issue date. After that point, the Controller may no longer pay such warrants because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive the statute of limitations and would authorize the Controller's Office to replace the following warrants:

<u>Name</u>	<u>Issued</u>	<u>Warrant No.</u>	<u>Amount</u>
Mr. James Brennan	04/24/79	810173	\$297.66
Ms. Kitty White	06/01/87	5502290493	<u>111.20</u>
Total			\$408.86

**Comments:** 1. Warrant #810173 was issued almost 13 years ago to Mr. James Brennan by the San Francisco Public Library. According to Mr. John Madden of the Controller's Office and Mr. Kenneth E. Dowlin, City Librarian, Mr. Brennan misplaced the warrant until recently and never cashed it, and has requested, at his own initiative, that the warrant be reissued.

2. Warrant #5502290493 was issued almost 5 years ago to Ms. Kitty White. According to Mr. Henry Leigh of the Controller's Office, Ms. White took the initiative of writing a letter to him, indicating she had misplaced the warrant until recently and never cashed it, and requested that the warrant be reissued.

3. Ms. Estrella Lomboy of the Controller's Office has verified that the Controller's Office has cancelled the warrants in both of the above-named instances. Mr. Madden has verified that the Controller's records indicate that neither of these warrants have been cashed.



4. According to Mr. Madden, the City and County of San Francisco has sufficient funds to pay the \$297.66 to Mr. James Brennan, and the \$111.20 to Ms. Kitty White. Mr. Madden reports that, when a warrant is automatically cancelled after three years have passed, the monies revert back into the particular accounts from which they were drawn (e.g., the San Francisco Public Library).

5. According to Mr. Ted Lakey of the City Attorney's Office, a legal obligation is not necessarily a mandated obligation.

**Recommendation:** Approve the proposed resolution.

Item 15 - File 30-92-5

1. The proposed resolution would fix patient day rates, for fiscal year 1991-92, for services provided by City and County institutions and health care facilities and would rescind Resolution No. 619-91 (File 30-91-9) which established the prior rate schedule. The proposed rates apply only to private patients and private insurance companies. Medi-Cal, Medicare and other State and Federal subventions are excluded from this rate structure.

2. Estimated increased revenues which would result from the proposed rate revisions have been included as revenues in the 1991-92 budgets for San Francisco General Hospital (SFGH), Laguna Honda Hospital (LHH), Public Health Services (CPHS) and Community Mental Health Services (CMHS). SFGH has budgeted \$26.7 million, LHH has budgeted \$7.5 million, PHS has budgeted \$428,000, and CMHS has \$450,000 budgeted for a total of approximately \$35 million. CMHS establishes rates in order to comply with State reimbursement requirements. Ms. Cynthia Bautista of the Department of Public Health (DPH) reports that the State bases its reimbursement allocations on the lower of either the actual cost of the services or the amount that CMHS charges for the services.

3. The attached tables provide the current and proposed patient day rates for services provided by SFGH, LHH, and CMHS. For those services which are new, no percentage increase is listed in the tables. Those services, with the exception of the Central Aid Station, which show a proposed rate of zero, reflect medical services which have been combined with other more comprehensive medical services categories in the rate structure (i.e. Cesarean Section is included in the general Medical Surgical services category). The Central Aid Station is connected to the Tom Waddell Clinic which now does its own separate billing and therefore is no longer included in this rate structure. Ms. Bautista reports that the revised fee structure is based on surveys of various community rates and is generally comparable to prevailing rates charged by medical facilities in the Bay Area for similar inpatient and outpatient services. The City receives between one percent and five percent of its total revenues from private individuals or third party payors in comparison to Medi-Cal, Medicare and other State and Federal reimbursements.

Comments

1. According to Ms. Susan Ehrlich of the DPH, the Department has been charging the proposed patient day rates for services since July 1, 1991. Therefore, the proposed resolution should be amended to authorize the DPH to fix the proposed patient day rates for services retroactively. Ms. Ehrlich advises that DPH is requesting approval of the proposed legislation now, due to an administrative oversight.

2. As noted above, the DPH has included the proposed patient day rates as revenues in the DPH's 1991-92 budget. However, Ms. Ehrlich reports that the DPH will not know the total amount of the additional revenues generated by the revised rates for 1991-92 until the DPH closes out its accounts as of June 30, 1992. Through the first six months of FY 1991-92, SFGH has received approximately \$13.3 million

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overall in revenues, LHH has received approximately \$3.5 million overall in revenues, CPHS has received approximately \$168,000 overall in revenues and CMHS has received approximately \$98,000 overall in revenues.

3. Schedules of rates for laboratory services and certain other hospital services are not shown in the proposed resolution because SFGH and LHH have hundreds of prices for various lab and special services. The rates for these services are charged from a special price list and may change during the fiscal year based on cost accounting studies at the hospitals.

**Recommendation**

Amend the proposed resolution to authorize the DPH to fix patient day rates retroactively, and approve the proposed resolution as amended.

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
<b>SAN FRANCISCO</b>				
<b><u>GENERAL HOSPITAL</u></b>				
Medical Surgical	Day	\$584	\$623	6.7%
Intensive Care	Day	1,725	1,840	6.7%
Coronary Care	Day	1,642	1,750	6.6%
Chest-Pulmonary	Day	1,670	1,780	6.6%
Stepdown Pulmonary		—	1,200	—
Pediatrics	Day	668	712	6.6%
Obstetrics	Day	534	569	6.6%
Nursery				
– Well Baby	Day	418	446	6.7%
– Observation	Day	557	594	6.6%
– Semi-Intensive Care	Day	1,002	1,068	6.6%
– Intensive Care	Day	1,447	1,543	6.6%
Labor/Delivery	Day	534	569	6.6%
	Hour	42	45	7.1%
Operating Room Time—				
Cesarean Section	Procedure	1,039	0	-100.0%
Psychiatric Inpatient	Day	640	682	6.6%
Psychiatric Forensic Inpatient	Day	640	682	6.6%
AIDS Unit – 5A	Day	640	682	6.6%
Security Unit – 7D	Day	—	623	—
<b><u>Surgical Services</u></b>				
Minor Surgery Pre-Op				
Holding Room	Room	67	100	49.3%
Minor Surgery I (Come & Go)	1/4 hour	134	143	6.7%
	1/2 hour	267	285	6.7%
	3/4 hour	401	427	6.5%
	1 hour	534	569	6.6%
	Add'l 1/4 hour	134	143	6.7%
Minor Surgery II	1 hour	579	617	6.6%
	Add'l 1/2 hour	289	308	6.6%
Major Surgery Pre-Op				
Holding Room	Room	94	100	6.4%
Major Surgery	1 hour	863	920	6.6%
	Add'l 1/2 hour	301	321	6.6%

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
Major Surgery II	1 hour	\$974	\$1,038	6.6%
	Add'l 1/2 hour	311	332	6.8%
Major Surgery III	1 hour	1,085	1,157	6.6%
	Add'l 1/2 hour	401	427	6.5%
Extraordinary Surgery	1 hour	1,224	1,305	6.6%
	Add'l 1/2 hour	445	474	6.5%
Surgery 2 Teams	Procedure	1,696	1,808	6.6%
	Add'l 1/2 hour	—	608	—
Surgery 3 Teams	Procedure	2,200	2,345	6.6%
	Add'l 1/2 hour	—	789	—
Anesthesia	1/2 hour	265	282	6.4%
	Add'l minute	8.48	9.00	6.1%
Argon Laser Treatment	Procedure	875	933	6.6%
Therapeutic Abortion	Procedure	175	175	0.0%
Recovery Room	Room	334	0	-100.0%
Recovery Room	1 hour	—	356	—
	2nd Add'l 1 hour	—	85	—
	3rd Add'l 1 hour	—	53	—
Emergency Clinic – Level 1	Visit	30	59	96.7%
Emergency Clinic – Level 2	Visit	60	80	33.3%
Emergency Clinic – Level 3	Visit	80	101	26.3%
Emergency Clinic – Level 4	Visit	150	187	24.7%
Emergency Clinic – Level 5	Visit	350	426	21.7%
Emergency Clinic – Level 6	Visit	750	1,013	35.1%
Non–Critical Observation	0-2 hours	50	59	18.0%
	2-4 hours	150	171	14.0%
	4-6 hours	250	293	17.2%
Critical Observation	0-2 hours	150	171	14.0%
	2-4 hours	300	341	13.7%
	4-6 hours	450	506	12.4%
Emergency Examination Room		50	0	-100.0%
Resuscitation		950	1,013	6.6%
<u>General Clinic</u>				
Initial Patient Visit				
Brief Examination	Visit	35	37	5.7%
Initial Intermediate	Visit	89	95	6.7%
Initial Comprehensive	Visit	185	197	6.5%
Established Patient				
Brief Examination	Visit	35	37	5.7%
Intermediate	Visit	53	56	5.7%
Comprehensive	Visit	125	133	6.4%
Use of Exam Room		25	27	8.0%

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
Screening Clinic	Visit	\$25	\$0	-100.0%
Central Aid Station				
Minimal	Visit	25	0	-100.0%
Brief	Visit	40	0	-100.0%
Limited	Visit	50	0	-100.0%
Intermediate	Visit	65	0	-100.0%

**Ambulance Billing**

Basic Life Call	Response	214	250	16.8%
– Per mile	Mile	9.45	9.45	0.0%
– Night Call	Call	53.55	53.55	0.0%
– Oxygen	Unit	45.15	45.15	0.0%
– Cardiac Monitor	Unit	53	53	0.0%
Advance Life Support	Response	397	450	13.4%
– Per Mile	Mile	9.45	9.45	0.0%
– Night Call	Call	53.35	53.35	0.0%
– Emergency	Call	58.80	58.80	0.0%
Non-Transport Response	Response	58.80	58.80	0.0%
Supplies & Drugs	Unit	Special List Price		

**COMMUNITY MENTAL  
HEALTH SERVICES**

Emergency Crisis	24 hours	1,100	1,100	0.0%
Inpatient	24 hours	900	900	0.0%
Partial Day Care				
Habilitative	Per Day	145	150	3.4%
Intensive	Per Day	240	250	4.2%

**Outpatient**

Assessment	Occurrence	350	375	7.1%
Crisis	Per Episode	350	375	7.1%
Group	Per Session	150	150	0.0%
Collateral	Occurrence	170	175	2.9%
Individual	Per Session	310	310	0.0%
Medical	Per Visit	220	225	2.3%



	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
<b><u>DIVISION OF ALCOHOL PROGRAMS</u></b>				
Residential - Detoxification	24 hours	\$70	\$70	0.0%
Residential	24 hours	80	80	0.0%
Recovery Home	24 hours	70	70	0.0%
Outpatient				
– Individual	1 hour	75	75	0.0%
– Group	1 hour	45	45	0.0%
– Family	1 hour	65	65	0.0%
– Home	1 hour	50	50	0.0%
– Rehabilitation	1 hour	45	45	0.0%
– Environmental	1 hour	20	20	0.0%
<b><u>DIVISION OF DRUG PROGRAMS</u></b>				
Therapeutic Community	24 hours	55	55	0.0%
Outpatient				
– Detoxification	Per Visit	90	90	0.0%
– Individual Therapy	1 hour	65	65	0.0%
– Group	1 hour	65	65	0.0%
– Family	1 hour	65	65	0.0%
– Home	1 hour	60	60	0.0%
– Methadone Treatment	1 hour	26	26	0.0%
<b><u>LAGUNA HONDA HOSPITAL</u></b>				
Regular Hospital Rates				
– Acute	Day	810	810	0.0%
– Rehabilitation	Day	635	650	2.4%
– Skilled Nursing Facility	Day	185	210	13.5%
All-Inclusive Rates				
– Acute	Per Diem	1,020	1,020	0.0%
– Rehabilitation	Per Diem	920	920	0.0%
– Skilled Nursing Facility	Per Diem	200	225	12.5%

	<u>Unit</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Change</u>
<b><u>PUBLIC HEALTH CENTER</u></b>				
New Patient - Audlt				
Comprehensive Exam	Visit	\$123	\$123	0.0%
Intermediate Examn	Visit	74	74	0.0%
Limited Exam	Visit	53	53	0.0%
Brief Exam	Visit	41	41	0.0%
Established Patient - Adult				
Comprehensive Exam	Visit	91	91	0.0%
Extended Exam	Visit	61	61	0.0%
Intermediate Exam	Visit	46	46	0.0%
Limited Exam	Visit	36	36	0.0%
Brief Exam	Visit	25	25	0.0%



Item 16 - File 82-92-4

- Department:** Department of City Planning  
Real Estate  
Recreation and Park Department
- Item:** Resolution authorizing the execution of an easement agreement and acceptance of a public access easement to Edgehill Mountain Open Space (13 single family homes at 300 Ulloa Street); and adopting findings pursuant to City Planning Code Section 101.1.
- Description:** The proposed resolution would authorize the City to accept a public access easement over private property to the City's Edgehill Mountain Open Space, located in the area of Ulloa Street and Kensington Way in the Diamond Heights area. The City Planning Commission, as a condition of approval of a conditional use application for a planned unit development for the construction of 13 single family homes located at 300 Ulloa Street, required that the developer convey to the City a public access easement from Ulloa Street to the City's Edgehill Mountain Open Space. The private property is currently owned by Tony and Christine Sheehan, William F. and Ellen Spiers, Peter and Bernadette Naughton and the Knockash Hill Association.
- Comments:**
1. According to Mr. Larry Ritter of the Real Estate Department, the proposed public access easement would be used as a pedestrian walkway for public access to and from the Edgehill Mountain Open Space, under the jurisdiction of the Recreation and Park Department. Mr. Ritter indicates that Edgehill Mountain Open Space is a natural terrain with a hiking trail, and the pedestrian walkway would link the hiking trail. Mr. Ritter reports that the Edgehill Mountain Open Space and hiking trail is not heavily used by the public. Mr. Ritter also reports that the City would not have to pay for this easement, but rather the property owners would dedicate it to the City.
  2. Under the easement agreement, the property owners would be responsible for the development and maintenance of the pedestrian walkway. Therefore, the proposed easement agreement would not result in a fiscal impact to the City.
  3. Mr. Ritter reports that the 13 single family homes located at 300 Ulloa Street would be market rate housing.

Memo to Finance Committee  
April 29, 1992

4. On May 23, 1991, the City Planning Commission found that the development project, and the City's acceptance of the public access easement, would not adversely affect the objectives and policies of the Master Plan and is consistent with the eight priority policies of City Planning Code Section 101.1.

**Recommendation:** Approve the proposed resolution.

Item 17 - File 172-92-7

**Department:** Department of Social Services (DSS)

**Item:** Resolution authorizing the modification to Agreement CD-8514 between the City and County of San Francisco and the State Department of Education, increasing the amount of the State allocation by \$1,838 for participation by the City in the State's Child Development Program for Fiscal Year 1991-92.

**Amount:** \$1,838

**Contract Period:** July 1, 1991 through June 30, 1992

**Description:** The proposed resolution would modify an existing agreement between the City through DSS and the State Department of Education that fully reimburses DSS for paying providers of community-based childcare services, including homemaker services and respite care. The proposed modification would provide additional monies for childcare services. The State's Child Development Program provides community-based childcare services to families at risk to enable parents to continue their employment or to continue their education. DSS contracts with the childcare providers. Authorization to enter into this proposed modified agreement is required by the State before DSS is eligible to submit claims for reimbursement for the modified amount to the State Department of Education.

Under the proposed modified agreement, the total maximum reimbursable amount would be increased by \$1,838 or 1.5 percent from \$121,610 to \$123,448. Reimbursements are made on a quarterly basis from claims submitted by DSS to the State.

**Comments:**

1. Mr. Walter Maciak of DSS reports that the State only reimburses the City for childcare provider services. The City's costs to administer the Child Development Program are absorbed by DSS.
2. Although the contract agreement has a start-up date of July 1, 1991, as noted above, the State will not authorize the DSS to submit claims for the reimbursement of the \$1,838 until after the Board of Supervisors has authorized approval for the proposed resolution.

**Recommendation:** Approve the proposed resolution.





Item 18 - File 254-92-1

**Department:** Juvenile Probation Department

**Item:** Resolution establishing new maximum daily charges for support of minors placed in City and County Juvenile Detention Institutions and authorizing the Chief Probation Officer of the Juvenile Probation Department to charge less than the maximum rates when the Juvenile Court determines that a lesser charge is appropriate based on the parents' or guardians' ability to pay.

**Description:** The Juvenile Probation Department reports that Section 202 of the State Welfare and Institutions Code provides that the parental obligations to support and maintain a minor child continues, subject to the ability of the parent to pay, during any period which the minor may be declared a ward of the court and removed from the custody of the parent.

The Juvenile Probation Department has historically absorbed the cost to support minors incarcerated in Juvenile Hall and Log Cabin Ranch. The Department is now proposing to charge the parents or guardians of these minors for these support costs. The proposed legislation would establish the following new maximum daily rates to be charged to parents or guardians for support of minors placed in Juvenile Hall and Log Cabin Ranch:

Juvenile Hall

Food and Preparation	\$14.07
Clothing and Related Expenses	1.75
Personal Needs of Minors	<u>.15</u>
Total Daily Rate	\$15.97

Log Cabin Ranch

Food and Preparation	\$22.21
Clothing and Related Expenses	.95
Personal Needs of Minors	<u>.07</u>
Total Actual Daily Cost	\$23.23

Less: Amount exceeding maximum allowable charges (pursuant to Section 903 of the Welfare and Institutions Code)	<u>(5.67)</u>
Total Daily Rate	\$17.56

Additionally, the proposed legislation would authorize the Chief Probation Officer to charge less than the maximum rates noted above, when the Juvenile Court determines that a lesser charge is appropriate based on the parents' or guardians' ability to pay.

**Comments:**

1. Although the proposed support costs can be charged to the parents or guardians, the Juvenile Probation Department reports that Section 903 of the Welfare and Institutions Code specifically prohibits charging parents or guardians for any costs associated with incarceration, treatment or supervision of the minor child. Additionally, medical costs incurred by the minor child for purposes of incarceration, such as preadmission medical screening, are not chargeable to parents or guardians. The DPH advises that all other medical costs incurred by the minor child are more efficiently recovered by billing the patients or their insurance carriers directly. As such, these medical costs are not included in the proposed daily rates for the support of minors.

2. Ms. Patricia Grice of the Juvenile Probation Department estimates that approximately \$29,750 in revenues would be generated in the first year from the daily rates charged to parents or guardians for the support of minors placed in Juvenile Hall and Log Cabin Ranch.

3. Ms. Grice advises that the \$15.97 maximum daily rate to be charged to parents and guardians for the support of minors at Juvenile Hall would fully cover the costs for these expenditures. However, Section 903 of the Welfare and Institutions Code stipulates that the maximum daily rate to be charged to parents or guardians cannot exceed \$17.56. Therefore, the maximum daily rate charged for the support of minors of \$17.56 at Log Cabin Ranch will not fully cover the actual daily costs of \$23.23 for Log Cabin Ranch.

**Comment:**

Although the Welfare and Institutions Code limits the charging of support costs only for juveniles, Lieutenant Jan Demsey of the Sheriff's Department reports that Section 10.39-2 of the Administrative Code authorizes the Adult Probation Department to collect monies from adult offenders, if authorized by the Court pursuant to Section 1203 of the State Penal Code, for the overall daily cost of incarceration in San Francisco County jails. The payment of such costs by adult offenders is based on the ability to pay.

**Recommendation:** The proposed resolution is a policy matter for the Board of Supervisors.

Item 19 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of April 22, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:

PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988 INDUSTRIES	1993 Sectors INDUSTRIES Sectors	CHANGE
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION		15,400 14,700	(700)
MANUFACTURING	41,400	38,800	(2,600)
Nondurable	32,900	31,600	(1,300)
Food		5,700 4,900	(800)
Apparel		12,800 12,900	100
Printing/Publish		10,300 10,500	200
Other		4,100 3,300	(800)
Durable	8,500	7,200	(1,300)
Metals		1,800 1,300	(500)
Transp. Equip.		1,800 1,100	(700)
Other		4,900 4,800	(100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation		20,600 21,600	1,000
Communication/Utilities		19,300 17,400	(1,900)
WHOLESALE TRADE		31,600 30,500	(1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores		8,100 8,000	(100)
Food stores		8,600 9,600	1,000
Apparel stores		7,800 8,100	300
Restaurants & bars		32,400 33,200	800
Other		20,900 22,500	1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance		47,400 46,000	(1,400)
Insurance/Real Estate		30,300 29,600	(700)
SERVICES	186,600	207,800	21,200
Hotel services		17,000 19,600	2,600
Business services		47,000 55,200	8,200
Health services		25,000 25,700	700
Legal services		19,200 23,500	4,300
Social services		20,400 21,700	1,300
Engineer, Architect, Mgmt		28,200 30,200	2,000
Other		29,800 31,900	2,100
GOVERNMENT	90,200	91,700	1,500
Federal		29,500 27,000	(2,500)
State and Local		60,700 64,700	4,000
	560,600	579,500	

Table 2

PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.76) (3.70)
MANUFACTURING	(6.28)	(13.76)
Non-durable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.05)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.17
Hotel services	15.29	13.76
Business services	17.45	13.59
Health services	2.80	3.70
Legal services	22.40	22.75
Social services	6.37	6.36
Engineer, Architect, Mgmt	7.09	10.56
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.15



The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (579,500 less 560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

**Manufacturing Industry.** The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

**Services Industry.** The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

**Labor Supply and Growth** Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national

average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.

Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.



Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,

resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against

interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.

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Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on

JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members has recently reviewed and held hearings regarding changes to the Commission. On March 25, 1992 the Small Business Advisory Commission recommended to amend the San Francisco Administrative Code, Article XIII, to eliminate the Small Business Advisory Commission and instead to establish an overall Business Advisory Commission. Such changes would require approval of the Board of Supervisors and the Small Business Advisory Commission is urging the Mayor to seek adoption of such legislation by the Board of Supervisors. The proposed new Commission would incorporate both large and small, downtown and neighborhood business interests and would increase the number of commissioners from 11 to 15 members. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is nearing completion, will focus on the Bayview and Hunters Point neighborhood. Economic development plans for the Tenderloin and the Mission are anticipated to be conducted next.

Employment Impacts. The Budget Analyst has analyzed the employment impacts on the San Francisco Bay Area of an additional \$1 billion of grant or bond funds to the City. The following two charts reflect the number of direct jobs and the total number of direct and indirect jobs that could be expected to result:

<u>Direct Employment</u>	<u>Number of Direct Jobs Per \$1 Billion</u>	<u>Number of Direct and Indirect Jobs Per \$1 Billion</u>
Construction - Non-residential	9,367	11,709
Construction - Highways and Public Utilities	10,633	12,653
Maintenance and Repair	<u>6,800</u>	<u>8,500</u>
Total	26,800	32,862

As reflected above, assuming that a total of an additional \$1 billion of grant or bond funds were equally distributed among the above three construction and maintenance sectors of the economy, it is estimated that 26,800 additional direct jobs would be created. Overall, a total of 32,862 direct and indirect jobs would be created if an additional \$1 billion of grant or bond funds were approved by the City.

These estimates are based on the Association of Bay Area Governments (ABAG) Input-Output Model which reflects the impact on the San Francisco Bay Area, which includes the surrounding counties. The impact on San Francisco would be less, although the precise impact on San Francisco cannot be determined. It is also assumed that the jobs created within each of these industries are new jobs and not relocations from other jobs and that all purchases by businesses would come from enterprises within the Bay Area.

General Obligation Bonds. The attached information, prepared by the Office of the Chief Administrative Officer, pertains to the amount of General Obligation bond measures that have been approved by the San Francisco voters, the amount of bonds issued by the City to date, the remaining amount not yet issued and the amount of the four proposed bond measures for the June, 1992 ballot. As reflected in the attachment, since 1986, the voters of San Francisco have approved \$753.3 million of General Obligation bonds. To date, a total of \$390,597,849 of these \$753.3 million of approved bonds have not yet been issued. In addition, another \$148,220,000 for four General Obligation bonds are on the June 2, 1992 ballot. If all four of these bond measures are approved in June, 1992, it would result in a total of \$538.8 million of outstanding bonds to be issued.

Based on \$538.8 million of outstanding bonds, using the same ABAG Input-Output Model as above, the Budget Analyst projects this would result in an additional 14,440 direct jobs and an overall total of 17,706 direct and indirect jobs for the San Francisco Bay Area.

## General Obligation Bond Elections

Date	Purpose	Amount Authorized	Amount Issued	Less FEMA Funds	Amount Remaining Unissued
Authorized					
4-Nov-86	Fire Protection System Improvements	46,200,000	46,200,000		
3-Nov-87	Police Department Facilities	28,000,000	21,900,000		6,100,000
3-Nov-87	Street and Safety Improvements	27,000,000	27,000,000		
3-Nov-87	SF General Hospital Mental Health Facility	26,000,000	26,000,000		
3-Nov-87	Recreation and Park Facilities	18,000,000	18,000,000		
7-Jun-88	Public School Facilities	90,000,000	90,000,000		
8-Nov-88	Library Facilities	109,500,000	25,000,000		84,500,000
7-Nov-89	Public Safety Improvements (ESP I)	59,700,000	27,000,000		32,700,000
5-Jun-90	Public Safety Improvements (ESP II)	332,400,000	49,500,000	15,602,151	267,297,849
6-Nov-90	Correctional Facilities	16,500,000	16,500,000		

Total To Date

753,300,000

347,100,000

15,602,151

390,597,849

2-Jun-92	Civic Center Garage Expansion	24,000,000			24,000,000
2-Jun-92	Civic Center Healing System	21,220,000			21,220,000
2-Jun-92	Civic Center Plaza Improvements	26,700,000			26,700,000
2-Jun-92	Golden Gate Park Improvements	76,300,000			76,300,000

Proposed Bonds

148,220,000

148,220,000

901,520,000

347,100,000

15,602,151

538,817,849





Item 20 - File 115-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 22, 1992.

**Department:** City Planning

**Item:** Ordinance amending the City Planning Code by adding Section 176.1 to create an administrative hearing procedure to enforce Planning Code requirements and a procedure to recover administrative costs of enforcement through assessments and liens.

**Description:** Article 1.7 of the City Planning Code, "Compliance," specifies the minimum requirements to which uses, structures, lots, features, and conditions must conform to be in compliance with provisions of the Planning Code. Section 176 of Article 1.7, "Enforcement Against Violations," specifies that "the Zoning Administrator shall have the authority to enforce this Code against violations thereof by any of the following actions:"

- Serving notice requiring the cessation, removal, etc., of the violation;
- Calling upon the City Attorney to take appropriate enforcement actions;
- Calling upon the District Attorney to institute criminal proceedings;
- Calling upon the Chief of Police and authorized agents to assist in the enforcement of the Code.

Article 1.7 provides civil penalties, "not to exceed \$500 for each day such violation is committed or permitted to continue, which penalty shall be assessed and recovered in a civil action brought ... in any court of competent jurisdiction." Article 1.7 further provides that violation of the Codes' provisions constitutes a misdemeanor and that conviction thereof may result in a fine not to exceed \$500 or imprisonment not to exceed each day that such violation is committed or permitted to continue.

The Bureau of Building Inspection of the Department of Public Works (DPW) currently has a violation abatement process which includes provisions for public hearings and cost recovery for time and materials. The Planning Code does not provide such a violation abatement process and does not



provide for public hearings and cost recovery. Rather, the Zoning Administrator only has access to enforcement through the City Attorney and other agencies previously cited. Staff of the City Planning Department have been working with the Bureau of Building Inspection and the City Attorney's Office to develop a comparable process for the Department of City Planning that offers both cost recovery and greater coordination with the DPW's Bureau of Building Inspection in enforcing City Codes.

The proposed ordinance would institute a violation abatement process, to eliminate Planning Code violations, that parallels the process used by the Bureau of Building Inspection and that would include the following major activities:

- Investigation and Complaints;
- Notice of Violation;
- Notice of Hearing;
- Hearings;
- Case Decisions;
- Contents of Cease and Desist Orders;
- Posting and Service of Cease and Desist Orders;
- Compliance; Rescission of Orders;
- Appeals;
- Report of Costs; Notice of Hearing on Confirmation;
- Hearing and Confirmation of Report for Special Assessment of Costs;

The proposed Planning Code violation abatement process would be operated by the Zoning Administrator, who would hear and decide cases. The Zoning Administrator may also designate a staff member of the Department of City Planning to act in his or her place to hear and decide cases.

The proposed ordinance provides that recoverable costs from Planning Code violations are the Zoning Administrator's administrative costs, including the cost of preparing cases and appearing at hearings, costs incurred by other departments in providing resources, and all prior and

subsequent attendant costs from the time of initiating the investigation.

The proposed ordinance would also create a special revolving fund, to be known as the "Planning Code Enforcement Fund," for the purpose of depositing funds collected from the activities of the proposed ordinance. Those funds would be used to defray the costs and expenses, including administrative expenses, that would be incurred by the Zoning Administrator in carrying out the provisions of the proposed ordinance.

**Comments:**

1. The City Planning Department provided notice of a public hearing on March 5, 1992, to consider these proposals, at which time the City Planning Commission continued the matter until March 12, 1992, on which date the Commission considered the matter after receiving public testimony. At the March 12, 1992, meeting of the City Planning Commission, the Commission adopted Resolution No. 13314 approving the provisions of the proposed ordinance.

2. Resolution No. 13314 provides that "The Planning Commission's recommendation of enactment of these proposals is not in any way changing the City's policies which favor retention of illegal units." Illegal units are defined as dwelling units that have not been authorized under the City's regulatory requirements. Mr. Alec Bash of the Department of City Planning reports that the policy that favors retention of illegal dwelling units is found in the Residence Element of the City's Master Plan, which calls for retaining the existing supply of housing and discouraging housing demolitions.

3. According to Mr. Robert Passmore, the Zoning Administrator, the proposed ordinance would provide better service to the general public and property owners by providing parallel violation abatement processes with improved coordination between the Department of City Planning and the DPW's Bureau of Building Inspection. Mr. Passmore further reports that the proposed ordinance would begin to shift the burden of funding violation abatement activities from the General Fund to the specific property owners who are in violation of the City Planning Code. Mr. Bash reports that the Department estimates that \$50,000 would be collected from the proposed enforcement procedures on an annual basis.

4. The Budget Analyst published a management audit report of the Department of City Planning in December of 1988.

Included in that audit report was the following recommendation concerning Planning Code violations:

We recommend that the Director of Planning:

- Pursue, in conjunction with the City Attorney's Office, a method for recovering the costs of abating Planning Code violations.

5. The Budget Analyst published a management audit report of the City's Permit Processing System in October of 1989. In that audit report, the Budget Analyst identified a violation abatement backlog of approximately 4,000 cases that would require an estimated four full-time equivalent positions to eliminate over a greater than two year period.

6. Mr. Passmore further reports that additional staff to implement the proposed procedures had initially been requested in the Department's FY 1992-93 budget, subject to passage of the proposed legislation. Mr. Passmore reported that one-half time each of a Planner II, 5278, and a Senior Clerk Typist, 1426, with a combined annual salary requirement of \$43,899, would be required. Mr. Bash reports that, after further consultation, the Department will not be requesting additional staff for this violation abatement function. Rather, the Department would conduct the proposed violation abatement activities with existing staff.

7. The average hourly rate for costs that would be assessed for the investigation and disposition of Planning Code violations is approximately \$55 per hour.

8. According to Mr. John Madden, Deputy Controller, monies deposited in the proposed Fund would be carried forward each year. Mr. Madden also reports that the Fund's proceeds would be deposited in an interest bearing account and could be used only for Planning Code violation abatement purposes. If a separate Special Fund is created, Mr. Madden reports that the Controller would have to certify that the funds were available prior to the Department expending such funds. However, given that the Department now intends to use existing General Fund staff, rather than hiring new dedicated staff for this purpose, the Budget Analyst questions the need to create a separate Special Fund.

9. Mr. Passmore reports that Planning Department staff would work with other City agencies that may be affected by the legislation, such as DPW's Bureau of Building Inspection, the Fire Department, and the Health Department, to develop memoranda of understanding to ensure appropriate coordination.

10. The Office of Environmental Review of the Department of City Planning has determined that the project is excluded from California Environmental Quality Act (CEQA) review.

**Recommendation:** Approve the proposed ordinance which would create a new administrative hearing procedure to enforce Planning Code requirements and recover administrative costs and is not anticipated to require the hiring of additional staff. However, approval of the creation of a Special Fund, as part of the proposed ordinance, is a policy matter for the Board of Supervisors.



Items 21, 22 and 23- Files 97-92-20, 97-92-21 and 115-92-6

**Department:** City Planning

**Items:** Ordinance (File 97-92-20) amending Chapter 10 of the San Francisco Administrative Code by adding Section 10.117-111 thereto, creating a new Special Fund, the Hazardous Waste Facility Application Fund, for deposit of the proceeds of fees charged to applicants for review of hazardous waste facility projects.

Ordinance (File 97-92-21) amending the San Francisco Administrative Code by amending Section 31.46A concerning fees for environmental review processes.

Ordinance (File 115-92-6) amending Part II, Chapter II, Article 3A of the San Francisco Municipal Code (City Planning Code) by amending Article 3.5A, "Fees," to impose new fees and change the amount of fees currently charged relating to Department of City Planning actions, activities and services .

**Description:** The proposed ordinance (File 97-92-20) would amend the San Francisco Administrative Code by creating a special fund called the Hazardous Waste Facility Application Fund. All proceeds from the newly established fees would be collected for the review of hazardous waste facility applications. These fees would be set under Item 22, File 115-92-6. These fees would be deposited in the Hazardous Waste Facility Application Fund. Monies deposited in this Special Fund would be expended solely to compensate the Department of City Planning, and other City departments that assist the Department of City Planning, in processing hazardous waste facility applications. The expenditure of these monies deposited to this Fund would not be subject to appropriation by the Board of Supervisors.

The California Health and Safety Code, Division 20, Chapter 6.5, Article 8.7, specifies hazardous waste facility application requirements, which include the following:

- (1) processing the notice of intent and carrying out notification requirements of California Health and Safety Code Section 25199.7;
- (2) establishing, convening, and providing staff assistance to the local assessment committee required by Section 25199.7;

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- (3) providing technical assistance grants to the local assessment committee to hire a consultant to assist in evaluating the proposed facility application; and
- (4) in the event of an appeal to the Governor, presenting the City's decision on the application to the Governor's appeal board.

Balances remaining in the Hazardous Waste Facility Fund at the close of any fiscal year would be deemed to have been provided for a specific purpose within the meaning of the provisions of Section 6.306 of the Charter and would be carried forward and accumulated in the Hazardous Waste Facility Fund for the purposes previously cited.

The balance of fees paid by an applicant remaining in the fund upon the completion of the review of a proposed hazardous waste facility project and any appeal of the decision on the application, including any accrued interest, would be returned to the project applicant.

The Board of Supervisors previously approved Ordinance 173-91 (File 97-91-2) and Ordinance 176-91 (File 115-91-1) which amended the Administrative Code in Section 31.46A (File 97-91-2) and amended the City Planning Code in Section 3.5A (File 115-91-1) by introducing new fees and increasing existing fees for environmental reviews and planning services performed by the Department of City Planning. The new fees and increased fees became effective on July 1, 1991. The two ordinances also imposed two identical temporary surcharge fees, each, on environmental review fees and planning services fees for the purpose of enabling the Department of City Planning to recover the initial costs of developing and implementing the hardware and software systems required to computerize activities associated with the Departments processing of permit applications. The proposed Ordinances (Files 97-92-21 and 115-92-6) would amend those surcharges as follows:

<u>Current Surcharge</u>	<u>Original Effective Period</u>	<u>Proposed Effective Date</u>	<u>Proposed Surcharge</u>
2.5 percent	Costs recovered, not-to-exceed two years	Two years, through June 30, 1993	2.5 percent
5.4 percent*	One year from effective date of July 1, 1991	Two years from the effective date of July 1, 1991	4.9 percent

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\*Includes recovery of the costs of a consultant, property information database development and other time and materials costs unrelated to the hardware and software systems referred to above.

The proposed ordinance (File 115-92-6) would add a clarification pertaining to discretionary review fees, and make two text corrections, as shown below:

- a. Deleting of an erroneous reference to variances in Section 351(c).
- b. Clarifying that the \$75 fee for requesting discretionary review of a project is payable at the time of the request. (Section 364).
- c. Renumbering Section 368 as Section 374.

In addition to the foregoing, the proposed ordinance (File 115-92-6) would amend Section 3.5A of the City Planning Code by adding new fees charged for services performed by the Department of City Planning, as follows:

**Fees for New Services (File 115-92-6)**

- a. Site Permits. Applications for site permits with estimated construction costs in excess of \$350,000 or that require more than one addendum to the site permit would have a surcharge in order to cover associated additional staff work, Sec. 352(f).

Fee Basis: \$250 per qualifying site permit

Workload: 16 larger projects estimated at four hours per project, for larger projects that include more than one addenda to the site permit.

Revenue estimate: \$4,000

- b. Master Plan Amendments. Amendments to land use and related diagrams of Master Plan Elements and Area Plans from a private party with a specific interest in the property, who would financially benefit from the requested amendment, and provided that the Planning Department at its discretion elects to consider the requested amendment, Sec. 358.

Workload. No workload is currently anticipated; the proposed fee is prospective in nature, and is intended primarily to address potential requests to amend area plans and specific plans.

Fee Basis: The Department's estimate of costs for time and materials required to review and implement each requested amendment would be developed, according to a budget prepared by the Director of Planning as approved by the City Planning Commission.

Revenue estimate: None at the present time.

- c. City Agency Assistance (Monitoring Conditions and Mitigation Measures related to development projects). Existing fee provisions for City Planning to monitor conditions of approval and mitigation measures would apply to cost recovery for other City agencies that the Department may call upon for monitoring assistance, Sec. 361(b).

Fee Basis: \$100 plus time and materials beyond two hours of staff time for monitoring conditions of approval.

Workload: The Department cannot estimate.

Revenue estimate: None at this time.

- d. Zoning Certifications, Research and Document Retrieval Service, and Technical Report Service. Zoning certifications are official determinations that existing or proposed land uses or structures conform to City Planning Code standards.

Commercial and educational entities, as well as the general public, frequently request the Department to provide research information and presentations on a variety of topics. The requests normally involve accessing the computer database, retrieving historical and other records, and staff work. They also involve retrieving documents from an off-site storage service, an out-of-pocket cost to the Department, and certification of documents. The Department meets these requests when possible, but is limited in doing so due to lack of resources. A new fee would recover the costs of providing these services. Sec. 365.

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The Department would offer commercial and educational entities, project sponsors and the general public the opportunity to obtain special access to data and to request that the Department undertake special technical studies. These would involve various data bases and technical analyses and reporting, and might include such areas as electronic access to data, transportation analyses, land use and socioeconomic forecasting, etc.

Fee Basis: Zoning Certifications: \$25 minimum for first half-hour of staff time or fraction thereof, plus \$25 for each subsequent half-hour of staff time.

Research services and Data Requests: (same as above)

Document Retrieval: No charge for files stored on-site; \$3.30 per file for files stored off-site or such other costs as the Department may incur.

Certification of Copies: 1-10 pages, \$6; each additional 10 pages or fraction thereof, \$2.00.

Information, Analysis, Report Preparation: Time and materials as set forth in an analysis and reporting schedule, based on the Department's estimated actual costs required to perform the work.

Workload:

Staff presently provides elements of this service, but not in a manner formulated to enable cost recovery. Staff would be redirected from existing services to expanded services, subject to resource availability, in a manner to enable either full or partial cost recovery for the research services provided.

- Certification of Zoning Compliance (Single Family Residence): One per week.
- Certification of Zoning Compliance (other than Single Family Residence): Two per week.
- Research Services and Data Requests:
- Documents Retrieval: Minimal cost recovery, as these documents are public records where only the Department's out-of-pocket costs may be recovered.
- Certification of Copies: 1/2 hour average.
- Information, Analysis, Report Preparation: 3-4 major requests each year, of from \$5,000 to \$10,000 per request.

Revenue estimates:

- Certification of Zoning Compliance, Single-Family Dwelling: \$500
- Certification of Zoning Compliance, Non-Single Family Residence: \$4,000
- Research Services and Data Requests: \$30,000
- Documents Retrieval: \$1,600
- Certification of Copies: \$100
- Information, Analysis, Report Preparation: \$20,000

Total estimated annual amount of revenues would be \$56,200.

- e. Computerization Surcharges (Previously described on the second page of this item). The time-limited fee surcharges would continue at a reduced level for another year in order to complete the work program for Departmental computerization and rewriting the Planning Code. According to Ms. Martha Kessler of the Department of City Planning, a general shortfall of about 25% in fee revenues has caused a reduction in the pace of this work, and substantial work is ongoing.

Workload: \$45,449 for computer acquisition. \$118,775 would fund the following costs:

Computer training	\$5,080
Evaluation of computer applications and procedures	50,000
(1) Planner III (with fringes)	<u>63,695</u>
Total	\$118,775

Revenue estimates: \$164,224

- f. Project Review Service. The Department would offer project sponsors the opportunity to schedule project review meetings with the Department if more detailed discussion with staff than can be provided at the Information Counter is desired. These meetings would result in a written response from the Department as to planning issues and recommendations. (Provisions for major project review now exist, but without the written followup; no such service exists for minor projects.) Sec. 369.



Workload: Staff presently provides elements of this service, but not in a manner formulated to enable cost recovery. Staff would be redirected from existing services to expanded services, subject to resource availability, in a manner to enable either full or partial cost recovery for the research services provided. The Department estimates that eight meetings per week plus an additional six hours of weekly staff time.

Fee Basis: \$120 for projects of less than six dwelling units or more than 10,000 gross square feet of non-residential area. \$120 minimum for the first two hours of staff time or fraction thereof plus \$30 for each subsequent half hour or fraction thereof by each participating Department employee for projects of six or more dwelling units or more than 10,000 gross square feet on non-residential building area.

Revenue estimates: \$66,000

- g. Notice to Property Owner Service. The Department anticipates that its computerization work will ultimately lead to the ability to provide project sponsors with mailing lists for mandated public notices (e.g., within 300 feet of the project). Project sponsors are now responsible for providing this material. Transferring this requirement from the project sponsor to the Department would provide greater assurance that public notices are complete and current. Sec. 370.

Fee Basis: Time and materials according to a property owner's public notice schedule based on the Department's estimated actual costs for time and materials.

Workload: This fee is prospective, as the Department does not yet have the computer ability to provide these property owner lists. If the Department gains the ability to routinely develop such ownership lists, it would likely be in a position to offer the service at costs below that of any outside provider. At that point, the Department would encourage all applicants to use Department-generated property owner public notice mailing lists, in order to ensure that the public notice was accurate and complete.

Revenue estimates: The Department cannot estimate.

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- h. Notice and Subscription Service. The Department provides routine mailings to a wide variety of organizations and individuals. This includes public hearing calendars, document publications, project filings, etc. Creating a new fee would enable the Department to recover a portion of the postage and handling cost. Sec. 371.

Fee Basis: Commission calendars: \$15 annually. Specific property notifications: \$10 for every two years for the first property specified and \$5 for each additional property specified.

Workload: The fees are for partial cost recovery; there is no increase in workload. For subscription services, the fees would generally cover postage only; Departmental handling costs would generally be slightly below postage costs. The Commission Secretary would have the authority to waive subscription fees in certain situations.

Revenue estimates: \$9,000 (\$15 for 600 subscribers; 100 subscribers are assumed to have requested and received waivers).

Project application notices regarding specific properties: \$3,500 for 350 properties at \$10 per property. Total estimated amount revenues would be \$12,500.

- i. Hazardous Waste Facility Fee. The Department and other City agencies will provide staffing and grants for technical assistance to a local assessment committee. The Planning Commission will be charged with creating this committee, whose purpose is to advise the Commission on future applications for hazardous waste facility projects.

Fee Basis: Actual costs of processing the application in accordance with the California Health and Safety Code.

Workload: One-half Planner III; one-quarter 1426 clerical position: \$41,945

Revenue estimates: \$41,945

- j. Late Charges. Late charges more than 30 days in arrears would include a penalty fee. The Department should have the ability to call upon other parties for assistance in collecting late charges on delinquent accounts more than six months in arrears, Sec. 373.

Fee Basis: One percent per month added to the fee amount owed to the Department for fee accounts in arrears more than 30 days.

Workload: The Department cannot estimate.

Revenue estimates: The Department cannot estimate.

**Comments:**

1. Actual and estimated revenues and expenditures for the Implementation Division of the Department of City Planning are as shown below for the fiscal years specified.

**Comparison of Revenues  
With Expenditures**

	FY 1990-91 Actual Based on Existing fees	FY 1991-92 Estimated Based on Existing fees	FY 1992-93 Estimated Based on Proposed Fee increases
Fee Revenues	\$2,316,914	\$2,647,368*	\$3,150,413
Implementation Division Costs	3,103,391	3,801,661	4,284,001**
Excess of Costs over Revenues	(\$786,477)	(\$1,154,293)	(\$1,133,588)

\* The Department's original estimate for FY 1991-92 was \$2,961,435, or \$314,067 more than the current revenue estimate. However, according to the Department, there has been a reduction in realization of revenue due to the economic downturn.

\*\* Standardized

2. Mr. Alec Bash of the Department of City Planning reports that following discussions with the Controller's Office and the Office of the City Attorney, a method of identifying and depositing monies accrued from the Hazardous Waste Facility Program other than by creation of a special fund have been agreed upon. Therefore, the Department is requesting that File 97-92-20 (Item 21) be tabled.

3. As estimated by the Department of City Planning, revenues and expenditures from and for the new services described previously total \$344,869, annually, as shown below. Also shown are the additional staff positions, that would require separate legislation for approval, to perform the proposed new services.

Site Permits	\$4,000
Zoning Compliance and Research Services	56,200
Computerization (1 Planner III)	164,224
Project Review	66,000
Notice & Subscription Service	12,500
Hazardous Waste Facility Fee (.5 Planner III; .25 1426 Clerk)	<u>41,945</u>
Total	\$344,869

Total Personnel

2 Planner III  
1/2 Planner III  
1/2 Planner II  
1 1426 Clerical  
4 FTE

**Recommendations:** 1. The decision of whether to establish new fees for new Department of City Planning services which are intended to result in the hiring of additional staff and whether to extend for a one year period a surcharge on environmental evaluation services and planning services is a policy matter for the Board of Supervisors.

2. Table the proposed ordinance (File 97-92-20) as requested by the Department.

Item 24 - File 114-92-2

- Department:** Public Works, Bureau of Building Inspection
- Item:** Ordinance amending Part II, Chapter 1, Sections 330, 331, 332, and 333 of the San Francisco Municipal Code (Building Code) to increase various fees imposed by the Department of Public Works, Bureau of Building Inspection (BBI).
- Purpose:** To increase permit fees relating to new construction, alterations, and related activities in order to fully recover costs of the Department of Public Works, Bureau of Building Inspection.
- Description:** The proposed ordinance would amend various sections of the San Francisco Municipal Code (Building Code) relating to fees charged by the Department of Public Works, Bureau of Building Inspection (BBI), by increasing those fees. BBI proposes to increase its fees by an average of five percent (refer to attachment for summary of proposed fee increases). BBI fees were last increased an average of 15 percent in July of 1991. Two-thirds of the FY 1991-92 fee increase, or 10 percent, was to offset new and increased costs, including the costs of State-imposed requirements. One-third of the FY 1991-92 fee increase, or five percent, was proposed to offset salary standardization costs.
- Under the proposed ordinance, Section 330.1 would be amended to increase various building permit fees as shown on pages 1 and 2 of the attachment. Building permit fees represent the largest single source of revenues for BBI. These fee increases would range from 2.63 percent to 6.67 percent. The proposed fee increases would affect all building and alteration permits. In addition, the following miscellaneous permit fees would be increased under Section 330.1 (percentages and fee levels summarized in attachment):
- Sign Permits
  - Bleacher Permits
  - Chimney and Flue Permits
  - Demolition of Building Permits
  - Extra Permit Work
  - Garage Door Permits

- \_ Grading Permits
- \_ House Moving Investigation and Permit Fee
- \_ Recommencement of Work Not Completed
- Re-roofing Permits
- Strong Motion Instrumentation Fee
- Sub-sidewalk Construction and Use Permit Fee

All electrical permit fees would increase under the proposed amendments to Section 330.2. The increases for the electrical fees would range from 4.00 percent to 6.67 percent, with two minor exceptions concerning very low dollar amounts. Electrical fee increases are summarized on pages 2 through 5 of the attachment.

All plumbing permit fees (Section 330.3) and apartment and hotels licensing fees (Section 333.1) would be increased. Plumbing permit fee increases would range from 4.83 percent to 6.67 percent (see pages 5 and 6 of attachment), while apartment and hotels licensing fees would be increased by approximately five percent (see page 10 of attachment).

Other proposed fee increases include (amended Municipal Code Sections and attachment page numbers in parenthesis):

- Permit application and plan review fees (Section 331, pages 6-7)
- Public notification and record keeping fees (Section 332, page 7)
- Reproduction and Dissemination of Public Information (Section 332.1, pages 7-8)
- Fees for Inspections, Surveys, and Reports (Section 332.2, pages 8-9)
- Penalties, Hearings and Code Enforcement Assessments (Section 332.3, page 9)
- Refund fees (Section 332.4, page 9)



- Miscellaneous Fees (Section 332.5, pages 9-10)
- Hotel Conversion Ordinance fees (Section 333.2, pages 10-11)
- Energy Conservation fees (Section 333.3, page 11).

**Comments:**

1. The Board of Supervisors approved legislation in July of 1988 establishing a Building Inspection Special Revenue Fund in which construction-related permit fees are deposited. As such, these permit fees can only be used to recover the costs of BBI. As stated above, the proposed fee increases in 1991-92 were intended to recover increased costs of salary standardization for BBI personnel. However, salaries were not increased for FY 1991-92. Therefore, BBI collected the five percent increase in fees without incurring the expected salary standardization costs of approximately five percent. As a result, since FY 1988-89 and including the current fiscal year, BBI has accumulated approximately \$2,430,961 in operating reserves. BBI classifies these funds as "prepaid inspection fees" and uses the monies for projects related to BBI services or to complete permit processing or inspections for which fees were previously paid. Shown below is the current status of BBI's "Prepaid Inspection Services Account."

**Prepaid Inspection  
Services Account**

Prior Years Carryforward	\$2,132,409
Current Year Carryforward	
Fees and Interest	170,509
FEMA/OES* Reimbursements	<u>128,043</u>
	<u>298,552</u>
Balance carried forward to FY 1992-93	\$2,430,961

\*Federal Emergency Management Agency/Office of Economic Stabilization

2. Mr. Donald McConlogue of BBI reports that the proposed FY 1992-93 fee schedules were developed with the objective of increasing total estimated fee revenues by an overall average of five percent, or an estimated \$854,867, annually.



3. Salary standardization costs for BBI will increase by a total of approximately 9.3 percent in the FY 1992-93 budget, as computed by the Controller's Office. This 9.3 percent is the combined estimated percentage for both Fiscal Years 1991-92 previously not paid and 1992-93. The fee increase of 15 percent that went into effect July 1, 1991, five percent of which was to offset expected salary standardization costs that were not realized, is still in effect to offset part of the salary standardization costs of approximately 9.3 percent for FY 1992-93.

4. Actual and estimated revenues and costs of BBI operations for FY 1990-91, FY 1991-92, and FY 1992-93 are summarized below:

**Comparison of BBI Revenues  
With Expenditures**

	FY 1990-91 <u>Actual</u>	FY 1991-92 Estimate Based <u>on Existing fees</u>	FY 1992-93 Budget Based on Proposed <u>Fee increases</u>	FY 92-93 Percent of Total <u>Cost</u>
BBI Revenues	<u>\$15,962,658</u>	<u>\$17,469,503</u> *	<u>\$18,505,289</u> *	
BBI Permit Processing				
Direct Costs	\$13,177,604	\$13,408,202	\$14,166,332	78.5
Bureau overhead	1,498,376	1,777,568	1,710,124	9.5
Department overhead	1,103,629	1,191,669	1,287,779	7.1
Citywide overhead	<u>651,802</u>	<u>793,512</u>	<u>881,511</u>	<u>4.9</u>
Subtotal, costs	\$16,431,411	\$17,170,951	\$18,045,746 *	100.0
FY 1992-93 Salary Standardization			<u>946,502</u>	
Total Estimated FY 1992-93 Costs			\$18,992,248	
Excess of BBI Revenues Over Permit Processing Costs (shortfall)	\$(468,753)	\$298,552	\$(486,959)	

\* Estimates based on Controller's revenue and expenditure reports and the FY 1992-93 budget as submitted to the Mayor. The FY 1991-92 final budgeted revenue amount from fees is \$17,097,422. The remaining \$372,081 (\$17,097,422 plus \$372,081 equals \$17,469,503) is due to interest earnings. The FY 1992-93 budgeted revenue amount from fees is \$17,952,289, which is 5.0 percent or \$854,867 more than the \$17,097,422 budgeted for FY 1992-93. The remainder of the

estimated increase in FY 1992-93 budgeted revenues consists of interest revenue of \$400,000 and \$153,000 in Mission Bay work for total estimated revenues of \$18,505,289.

5. If the proposed fee increases are enacted for FY 1992-93, BBI's excess of permit processing costs over revenues are estimated to be \$486,959 (See Comment No. 5). The deficit of \$486,959 would then offset the balance carried forward to FY 1992-93 of \$2,430,961 (See Comment No. 1) for a total of \$1,944,002 balance carried forward to FY 1993-94.

6. If the proposed fee increases are not enacted for FY 1992-93, BBI's deficit of permit processing costs over revenues is estimated to be \$1,341,826 (\$854,867 plus \$486,959). That estimated deficit of \$1,341,826 would then be deducted from the \$2,430,961 balance carried forward to FY 1992-93. The sum that would then be carried forward to FY 1993-94 would be an estimated \$1,089,135 (\$2,430,961 less \$1,341,826).

7. The Budget Analyst has been informed by Mr. McConlogue that DPW is requesting that this item be continued to May 6, 1992.

**Recommendations:**

1. As noted above, the proposed fee increases are intended to recover the increased costs from salary standardization. However, BBI's fee increase of approximately 15 percent in FY 1991-92 included a 5 percent increase for expected salary standardization costs, which were not subsequently enacted. As previously noted, disapproval of this fee increase would still leave BBI in a self-sustaining position and with a carryover surplus of over \$1 million. Therefore, the Budget Analyst would recommend that the proposed amendment to increase fees be disapproved.

2. However, in accordance with the request of the Department, continue the item to May 6, 1992, Finance Committee meeting.

## Summary of proposed fee increases

Attachment 1 of 1

Section/ Fee type/ Fee level	Current	Proposed	% Chg
Section 330.1: Building Permit Fees			
New Construction *			
\$1.00-\$500	\$19.50	\$20.50	5.13%
501-2,000	\$19.50	\$20.50	5.13%
2,001-25,000	\$62.75	\$66.00	5.18%
25,001-50,000	\$333.75	\$354.00	6.07%
50,001-100,000	\$542.25	\$573.00	5.67%
100,001-500,000	\$829.75	\$874.00	5.33%
500,001-1,000,000	\$2,729.75	\$2,875.00	5.32%
1,000,000 and up	\$4,729.75	\$5,001.00	5.73%
Alteration Permit Fees			
\$0 to 100,000	1.3 times new construction permit fee		
100,001 and up	\$1,078.75	\$1,135.00	5.21%
	(plus 1.25 times new construction permit fee)		
Sign Permit fees			
Minimum	\$21.50	\$22.50	4.65%
Electric & non-electric**			
Up to 50 sq ft	\$21.50	\$22.50	4.65%
51-100 sq ft	\$21.50	\$22.50	4.65%
101-200 sq ft	\$34.50	\$36.25	5.07%
201-400 sq ft	\$50.75	\$53.50	5.42%
Over 400 sq ft	\$65.25	\$69.50	6.51%
Ground Signs**			
Up to 100 sq ft	\$21.50	\$22.50	4.65%
101-600 sq ft	\$21.50	\$22.50	4.65%
Over 600 sq ft	\$102.75	\$108.00	5.11%
Bleacher permit fees			
Permanent	See new construction fee schedule		
Temporary			
0-1,000 seats	\$20.75	\$21.75	4.82%
each additional 1,000 seats or fraction thereof	\$10.25	\$10.75	4.88%
Chimney and Flue fees			
Each chimney or flue	\$14.50	\$15.25	5.17%
Demolition Permit fees			
Construction Type			
Type II or V	\$28.50	\$29.25	2.63%
Other types	\$42.75	\$44.90	5.03%

\* Fees for new construction costs above \$500 are graduated, based on cost.

\*\* Graduated scale based on actual square footage.

## Summary of proposed fee increases

Attachment 2 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Extra Permit Work	Two times the standard fees for work remaining to be done or not covered in original permit scope		
Garage Door Permits			
Each Garage door	\$10.25	\$10.75	4.88%
Grading Permits	See new construction schedule		
House Moving Investigation and Permit Fee			
Investigation	\$54.25	\$57.00	5.07%
Permit	\$62.75	\$66.00	5.18%
Recommencement of work not completed	Standard Inspection Fee per Section 332.2		
Re-roofing permits	\$65.25	\$68.50	4.98%
Strong Motion Instrumentation Fee			
Minimu	\$1.50	\$1.60	6.67%
Group R Occupancies of 3 stories or less, except hotels and motels.	0.0001***	0.00013***	
Hotels and Motels. All buildings greater than three stories.		0.00024***	
Sub-Sidewalk Construction and Use Permit fee			
Construction	See new construction schedule		
Use Permit: each	\$26.00	\$27.25	4.81%
Street space deposit	\$39.50	\$41.50	5.06%
Section 330.2: Electrical Permit Fees-Schedule A			
New Building			
Filing Fee	\$26.00	\$27.25	4.81%
Service Fee			
0-100 amps	\$65.25	\$68.50	4.98%
Each additional amp over 100 amps	\$0.15	\$0.16	6.67%
Circuit Fees (0-30 amp circuits)			
0-50 circuits, per circuit	\$13.25	\$13.90	4.91%
over 50 circuits, per circuit	\$6.50	\$6.85	5.38%
31-60 amp circuits, per circuit	\$15.75	\$16.55	5.08%
61-100 amp circuits, per circuit	\$20.75	\$21.80	5.06%
Over 100 amp circuits, per circuit	\$20.75	\$21.80	5.06%
Temporary wiring	one-half of above rate		

\*\*\* Times the valuation.

## Summary of proposed fee increases

Attachment 3 of 1

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Existing building work			
Filing Fee	\$26.00	\$27.30	5.00%
1-5 openings	\$22.75	\$23.90	5.05%
6-10 openings	\$45.50	\$47.80	5.05%
11-15 openings	\$57.00	\$59.85	5.00%
16-20 openings	\$79.75	\$83.75	5.02%
21-25 openings	\$90.50	\$95.05	5.03%
26-30 openings	\$102.75	\$107.90	5.01%
31-35 openings	\$113.50	\$119.20	5.02%
36-40 openings	\$124.50	\$130.75	5.02%
41-45 openings	\$136.50	\$143.35	5.02%
46-50 openings	\$147.25	\$154.60	4.99%
51-60 openings	\$158.75	\$166.70	5.01%
61-70 openings	\$170.25	\$178.80	5.02%
71-80 openings	\$182.25	\$191.35	4.99%
81-90 openings	\$193.25	\$202.90	4.99%
91-100 openings	\$204.25	\$214.45	4.99%
over 100 openings*	\$1.50	\$1.60	6.67%

Openings include switches, convenience receptacles, lighting fixtures, fixed appliances, motors, transformers, fire warning and detector devices.

**Electrical Permit fees-Schedule B**

Filing Fee	\$26.00	\$27.30	5.00%
Minimum fee	\$26.00	\$27.30	5.00%
each outlet or switch	\$1.00	\$1.05	5.00%
each svc up to 100 amps	\$13.00	\$13.65	5.00%
Each Circuit	\$2.00	\$2.10	5.00%
Each transformer dimmer	\$1.00	\$1.05	5.00%
Connection of motors and generators			
0-10 hp	\$2.00	\$2.10	5.00%
11-50 hp	\$2.25	\$2.35	4.44%
51-100 hp	\$2.50	\$2.65	6.00%
ea. hp over 100 hp	\$3.00	\$3.15	5.00%

**Electric appliance connection**

Per kilowatt or fraction thereof	\$2.00	\$2.10	5.00%
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\* per opening

## Summary of proposed fee increases

Attachment 4 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Range outlet connection, minimum	\$19.25	\$20.20	4.94%
Dryer outlet connection, minimum	\$13.00	\$13.65	5.00%
Fixed air heating devices, each Connection	\$1.00	\$1.05	5.00%
Cold cathode or Fluorescent lighting fixture	\$1.50	\$1.60	6.67%
Mercury vapor and similar lighting fixture	\$4.00	\$4.20	5.00%
Incandescent lighting fixture	\$1.50	\$1.60	6.67%
Activated electrical trench headers duct and electrical floor ducts	\$0.50	\$0.55	10.00%
Feeders:			
0-100 amps	\$13.00	\$13.65	5.00%
per ampere over 100 amps	\$0.10	\$0.10	0.00%
Underground Installations	\$32.75	\$34.40	5.04%
Fire alarms, pull stations incl outlets	\$5.25	\$5.50	4.76%
Fire alarms, visual and audio devices	\$2.00	\$2.10	5.00%
Fire alarms, detector control panels	\$6.75	\$7.10	5.19%
Fire sprinkler flow alarms	\$7.50	\$7.90	5.33%
Combustion detectors	\$2.00	\$2.10	5.00%
Electromagnetic hold open	\$2.00	\$2.10	5.00%
Low Energy Circuits			
each device	\$0.75	\$0.80	6.67%
each transformer	\$1.25	\$1.30	4.00%
each outlet	\$0.75	\$0.80	6.67%



## Summary of proposed fee increases

Attachment 5 of 1

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Electric Signs			
Exterior Signs 0-20 lam	\$20.75	\$21.80	5.06%
Interior Signs	\$13.00	\$13.65	5.00%
Each group of 10 lamps or portion thereof in excess of 20	\$3.00	\$3.15	5.00%
Each interior or exterior sign circuit	\$3.00	\$3.15	5.00%
Each Transformer or ballast in excess of 2	\$3.00	\$3.15	5.00%
Sign flasher control device	\$4.00	\$4.20	5.00%
Plant Owner registration			
Each registration	\$130.50	\$137.50	5.36%
ea. electrician regist.	\$7.00	\$7.35	5.00%
late charge	\$7.00	\$7.35	5.00%
<b>Section 330.3: Plumbing Permit Fees</b>			
Plumbing permits	\$15.75	\$16.55	5.08%
Fixture & waste discharge device	\$13.50	\$14.20	5.19%
sump ejector	\$13.50	\$14.20	5.19%
rainwater leader	\$13.50	\$14.20	5.19%
gas permit	\$15.75	\$16.55	5.08%
gas line, each, including one outlet per line	\$6.75	\$7.10	5.19%
Each additional gas outlet	\$3.00	\$3.15	5.00%
water heater, each	\$11.75	\$12.35	5.11%
warm air furnace	\$40.50	\$42.55	5.06%
miscellaneous gas appliances	\$11.75	\$12.35	5.11%

## Summary of proposed fee increases

Attachment 6 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
gas flues, each	\$14.50	\$15.25	5.17%
Water line permits, 1-4 outlets /line	\$15.75	\$16.55	5.08%
Each additional water outlet	\$3.00	\$3.15	5.00%
Solar panels: per each collector	\$7.25	\$7.60	4.83%
Lawn Sprinklers: each control valve or vacuum breaker	\$9.75	\$10.25	5.13%
Each additional sprinkler head	\$0.20	\$0.21	5.00%
Fire Sprinkler Systems			
Fire sprinkler piping removal or alterations	\$12.25	\$12.85	4.90%
Undergrd fire sprinkler piping sys.	\$40.50	\$42.55	5.06%
Replace fire sprinkler heads 1-10	\$12.25	\$12.85	4.90%
Each additional head over 10	\$0.30	\$0.32	6.67%
Fire sprinkler piping installation			
1-10 sprinkler heads	\$12.25	\$12.85	4.90%
11-500 sprinkler heads	\$12.25	\$12.85	4.90%
501 or more sprinkler heads	\$183.50	\$194.25	5.86%
Fire sprinkler systems flushing	\$52.00	\$54.60	5.00%
Sewer replacement or repair	\$15.75	\$16.55	5.08%
Side sewer installation or repair	\$40.50	\$42.55	5.06%
Minimum fee for all permits	\$15.75	\$16.55	5.08%
Section 331: Building Permit Application and Plan Review fees			
Back Check fee	\$54.25	\$72.45	33.55%
Commencement of work not started	\$130.50	\$137.05	5.02%
Electrical Plan Review	\$69.00	\$72.45	5.00%

## Summary of proposed fee increases

Attachment 7 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Expediter Fee	\$24.75	\$26.00	5.05%
Mechanical Plan Review	\$69.00	\$72.45	5.00%
Plan Review: New Construction, Alterations, Grading and Demolitions	65 percent of new construction permit schedule		
Plan Review under prior code	\$82.25	\$86.35	4.98%
Pre-application plan review	\$130.50	\$137.05	5.02%
Reduced plan review fee 25 percent of plan review fee, minimum	\$19.50	\$20.50	5.13%
Sign plan review, approved stdzd	\$8.00	\$8.40	5.00%
Other	50 percent of Sign Permit Schedule		
Site Permit surcharge			
less than \$350,000	\$130.50	\$137.05	5.02%
over \$350,000	\$779.25	\$818.20	5.00%

## Section 332: Public Notification and Record Keeping Fees

Structural Addition notice	\$15.75	\$16.55	5.08%
Affidavit Record maintenance	\$6.75	\$7.10	5.19%
Posting of notices (change of use)	\$23.25	\$24.40	4.95%
Requested notice of permit issuance	\$32.75	\$34.40	5.04%
30" by 30" sign	\$13.00	\$13.65	5.00%
Notice of demolition permit issuance			
One area	\$39.50	\$41.50	5.06%
Multiple areas	\$117.50	\$123.50	5.11%
Notification sign			
300 ft notification letters at filing	\$62.75	\$65.90	5.02%
Residential tenant notification	\$35.00	\$36.75	5.00%
300 ft notification letters at issuance	\$46.50	\$48.85	5.05%

## Section 332.1: Reproduction and Dissemination of public information

Certification of copies			
1-10 pages	\$6.75	\$7.10	5.19%
Each additional 10 pages or fraction thereof	\$1.50	\$1.60	6.67%

## Summary of proposed fee increases

Attachment 8 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>%</u> <u>Chg</u>
Electrostatic Reproduction			
Each page photocopy	\$0.75	\$0.80	6.67%
Minimum charge	\$3.50	\$3.70	5.71%
35mm duplicards from roll film	\$1.50	\$1.60	6.67%
Microfilm Hard Copy prints			
8 1/2" x 11" copy from 16mm film	\$1.50	\$1.60	6.67%
24"x18" copy from 35mm film	\$2.50	\$2.65	6.00%
"half-sized" copy from 35mm film	\$3.00	\$3.15	5.00%
8.5" x 11" copy from 16mm	\$1.00	\$1.05	5.00%
Minimum Microfilm reprod. charge	\$3.50	\$3.70	5.71%
Replacement of approved plans/specs			
Each Sheet of plans	\$4.00	\$4.20	5.00%
Each 50 pages of specs or fraction	\$6.75	\$7.10	5.19%

## Section 332.2: Inspections, Surveys, and Reports

Off-hours Inspection	1.5 times Standard Inspection fee		
Pre-Application Inspection	Two times Standard Inspection fee		
Re-Inspection Fee	Standard Inspection Fee		
Report of Residential Records	\$26.00	\$27.30	5.00%
Standard Inspection Fee	\$65.25	\$68.50	4.98%
Survey of non-residential building	Two times the Standard Inspection Fee		
Maximum charge	\$2,596.00	\$2,725.80	5.00%
Survey of Residential Building			
Single Family Dwelling	\$390.25	\$409.75	5.00%
Two Family Dwelling	\$390.25	\$409.75	5.00%
Apartment houses: 3 units	\$454.00	\$476.70	5.00%
Apartment houses: 4-10 units****	\$454.00	\$476.70	5.00%
Apartment houses: 11-20 units****	\$854.00	\$896.70	5.00%
Apartment Houses: 21-40 units****	\$1,282.25	\$1,351.00	5.36%
Apartment houses: over 41 units****	\$1,853.50	\$1,951.00	5.26%
Hotels			
1-10 guest rooms	\$494.00	\$518.70	5.00%
11-20 guest rooms****	\$494.00	\$518.70	5.00%
21-40 guest rooms****	\$701.50	\$737.00	5.06%
Over 41 guest rooms****	\$986.75	\$1,043.00	5.70%

## Summary of proposed fee increases

Attachment 9 of 1

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Temporary Certificate of Occupancy		Standard Inspection Fee	
**** Graduated scale.			
<b>Section 332.3: Penalties, Hearings, Code Enforcement Assessments</b>			
Abatement Appeals Board filing fee	\$52.00	\$54.60	5.00%
Board of Examiners			
each variance or interp of code	\$90.50	\$95.05	5.03%
each appeal for approval of substitute materials or methods of construction	\$227.25	\$238.60	4.99%
Director's abatement orders, per hr	\$53.25	\$55.90	4.98%
Emergency Order	\$42.75	\$44.90	5.03%
Handicapped Access Appeals Board Filing Fee	\$143.75	\$150.95	5.01%
Lien Recordation Charges	\$120.75	\$126.80	5.01%
Work w/o permit: investigation fee; penalty			
Building, Electrical, Plumbing or Mechanical Code violations		Nine times the applicable fee plus the original permit fee	
<b>Section 332.4: Refunds</b>			
Building Permit- amount paid less	\$84.50	\$88.70	4.97%
Demolition Permit- amount paid less	\$65.25	\$68.50	4.98%
Electrical Permit- amount paid less	\$65.25	\$68.50	4.98%
Grading Permit- amount paid less	\$65.25	\$68.50	4.98%
Plan Review- amount paid less	\$26.00	\$27.30	5.00%
Plumbing Permit- amount paid less	\$65.25	\$68.50	4.98%
<b>Section 332.5: Miscellaneous</b>			
Building numbers, each entrance	\$15.75	\$16.55	5.08%
Disability access coordinator	\$9.75	\$0.00	-100.00%
Extension of time:			
Each permit application extension	\$31.25	\$32.80	4.96%
Each permit extension		Standard Inspection Fee	
Each inspection performed		Standard Inspection Fee	

## Summary of proposed fee increases

Attachment 10 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Product Approvals:			
initial or reinstatement	\$130.50	\$137.50	5.36%
modification or revision	\$45.50	\$47.80	5.05%
renewal (every 2 years)	\$65.25	\$68.50	4.98%

**Section 333.1: Apartment House and Hotel License Fee Schedule****Apartment Houses (annual basis):**

Less than 20 rooms	\$106.50	\$111.85	5.02%
20-29 rooms	\$135.25	\$142.00	4.99%
30-39 rooms	\$179.00	\$187.95	5.00%
40-49 rooms	\$236.50	\$248.35	5.01%
50-59 rooms	\$327.75	\$344.15	5.00%
60 rooms or over	\$385.25	\$404.50	5.00%
Change of ownership	\$32.50	\$34.15	5.08%

**Hotels (annual basis):**

Less than 20 rooms	\$163.00	\$171.15	5.00%
20-29 rooms	\$192.00	\$201.60	5.00%
30-39 rooms	\$237.00	\$248.85	5.00%
40-49 rooms	\$292.00	\$306.60	5.00%
50-59 rooms	\$383.00	\$402.15	5.00%
60-69 rooms	\$442.00	\$464.10	5.00%
100-149 rooms	\$477.00	\$500.85	5.00%
150 rooms and over	\$536.25	\$563.05	5.00%
Change of ownership	\$32.50	\$34.15	5.08%

**Section 333.2: Hotel Conversion Ordinance Fee Schedule**

Annual Unit usage report	\$52.00	\$54.60	5.00%
Challenge to claims of exemption:			
Usage report	\$17.00	\$17.85	5.00%
Claim of exemption based on low-			
Income housing:	\$205.25	\$215.50	4.99%
Claim of exemption based on partially			
completed conversion	\$410.50	\$431.05	5.01%
Complaint of Unlawful Conversion	\$17.00	\$17.85	5.00%
Determination by Real Estate Department and cost			
of independent appraisals	\$973.25	\$1,021.90	5.00%



## Summary of proposed fee increases

Attachment 11 of 1

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Initial Unit Usage Report	\$205.25	\$215.50	4.99%
Permit to convert	\$345.00	\$362.25	5.00%
Request for hearing to exceed 25% tourist season rental limit			
Inspection Fee		Standard Inspection Fee	
Hearing Officer's statement of exemption	\$205.25	\$215.50	4.99%

**Section 333.3: Energy Conservation Fee Schedule**

Initial Inspections			
1 and 2 family dwellings	\$49.50	\$52.00	5.05%
Apart houses & Resid Hotels			
up to 20 rooms	\$55.50	\$58.30	5.05%
20-29 rooms	\$66.50	\$69.85	5.04%
30-39 rooms	\$79.75	\$83.75	5.02%
40-49 rooms	\$88.25	\$92.65	4.99%
50-59 rooms	\$99.00	\$103.95	5.00%
60 rooms and over	\$111.00	\$116.55	5.00%
Compliance Inspections:			
1 and 2 family dwellings	\$24.75	\$26.00	5.05%
Apart houses & Resid Hotels			
up to 20 rooms	\$27.25	\$28.60	4.95%
20-29 rooms	\$32.50	\$34.15	5.08%
30-39 rooms	\$39.50	\$41.50	5.06%
40-49 rooms	\$44.25	\$46.50	5.08%
50-59 rooms	\$49.50	\$52.00	5.05%
60 rooms and over	\$55.50	\$58.30	5.05%
Energy Reports and Certificates	\$9.50	\$10.00	5.26%
Filing Fee for appeals	\$41.00	\$43.05	5.00%
Certification of qualified energy Inspector	\$19.50	\$20.50	5.13%

Item 25 - File 21-92-1

**Note:** This item was continued by the Finance Committee at its meeting of April 22, 1992.

1. The proposed resolution would adopt and impose schedules of sewer service and industrial cost recovery charges to be paid by users for fiscal year 1992-93 pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code). The attached Budget Analyst's report of April 10, 1992, previously transmitted to the Board of Supervisors, analyzes the Chief Administrative Officer's (CAO's) proposed sewer service charge increases, which supports the costs of the City's Clean Water Program (CWP), for FY 1992-93.

2. As noted in the attached Budget Analyst's report, the proposed sewer service rate increases were to be implemented on April 15, 1992. However, the DPW has revised its estimates assuming that the rate increase would not take effect until May 15, 1992. The DPW estimates that delaying the proposed rate increase until May 15, 1992 would reduce the projected carryforward at the end of fiscal year 1991-92 to approximately \$6.0 million rather than a \$7.3 million carryforward as originally projected. However, the originally proposed sewer service charge rate increase of 21% for all residential users and 23% for all commercial and industrial users is still being proposed. Below is a summary of these rates:

<u>Type of Customers</u>	<u>Average Monthly Amount of Water Used</u>	<u>Current 1991-92 Monthly** Sewer Service Charges</u>	<u>Proposed 1992-93 Monthly** Sewer Charges</u>	<u>Monthly Increase</u>
Apartment Units	3.98 units*	\$ 7.00	\$8.41	\$1.41
Single Family Dwellings	5.60 units	12.07	14.70	2.63
All Residential Users	4.57 units	8.85	10.70	1.85

\* One unit equals 100 cubic feet of water or 748 gallons.

\*\* Bills are currently issued on a bi-monthly basis.

3. As noted in Attachment I, page (-7-) of the Budget Analyst's report, in each fiscal year from 1991-92 through 1996-97, an ending surplus is projected for the CWP. According to Mr. Robert Hesse of the DPW, these surplus funds, which are carried forward from the end of each fiscal year to the beginning of the next fiscal year, are necessary for the City to maintain minimum required debt coverage ratios and to provide prudent reserves to meet revenue shortfalls or unanticipated costs. However, the projected five-year budgets outlined in Attachment I would provide the Clean Water Enterprise Fund with carryforward surplus funds which are in excess of the required minimum debt ratios. The following table is a comparison of the average sewer service charge rate increases which would be required, assuming a surplus balance necessary only to meet the

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minimum debt ratios, versus the proposed average sewer service charge rate increases to all residential users, with an excess of the minimum debt requirements, as outlined on Attachment I, wherein surplus balances, exceeding the minimum requirements as recommended by the CAO, are used:

<u>Fiscal Year</u>	Average Monthly Rate Increases Using Surplus to Meet Minimum Debt Requirements	Percent Increase in Sewer Service Charge Rate	CAO's Recommended Average Monthly Rate Increase Using Surplus	
			Excess of the Minimum Debt Requirements	Percent Increase in Sewer Service Charge Rate
1992-93	\$10.62	20.00%	\$10.70	21.00%
1993-94	\$12.80	20.50%	\$12.95	21.00%
1994-95	\$14.91	16.50%	\$14.73	13.75%
1995-96	\$16.03	7.50%	\$16.09	9.20%
1996-97	\$16.71	4.25%	\$16.65	3.50%

As noted above for fiscal years 1992-93, 1993-94 and 1995-96, the use of surplus only to meet minimum requirements would result in reduced rates. However, the rates for FY 1994-95 and FY 1996-97 would then be slightly more than the CAO's recommended rate increases for those two fiscal years.

4. The above-listed rates recommended by the CAO anticipate debt requirements for new capital projects over the next five years that will cost \$445 million, with \$41 million of that amount to be financed from State loans, and \$135 million in bonds which would require voter approval, which are anticipated to be issued during FY 1993-94 and FY 1994-95. Mr. Hesse reports that these \$135 million in estimated capital projects are not required in order to provide compliance with Federal and State guidelines, and therefore would need voter approval. Although the DPW reports that these additional capital projects totaling \$310 million (\$445 million less \$135 million in non-required projects subject to voter approval) are required in order for the City to improve its sewerage treatment to comply with State and Federal guidelines, the Budget Analyst has not made a detailed analysis of the proposed capital projects, the funding requirements, and the justifications related to how these proposed projects will be needed to provide compliance with Federal and State guidelines.

5. As noted in the Attachment I, page (-1-), the sewer service charge rates increased by 22% for fiscal year 1991-92, and according to Mr. Hesse, at that time the interest rate on future bond issuances were anticipated to be approximately 7.48 percent. Mr. Hesse reports, however, that since that time, the interest rates for FY 1992-93 debt service have decreased to approximately 6.62 percent, and the interest rate assumed for future bond issuances is approximately 6 percent. The CAO's recommended sewer service charge rates for FY 1992-93 are based upon a debt service interest rate of 6.62 percent, and future interest rates assume approximately a six percent interest rate. Mr. Hesse indicates that the CWP originally anticipated to issue bonds for \$170 million over a two year period beginning in FY 1991-92. However, according to Mr. Hesse, given the favorable

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interest rates at the time, the CWP requested, and the Board of Supervisors approved (Files 170-91-4 and 170-91-4.1) a bond issuance not to exceed \$170 million in July, 1991. The CAO is proposing that a 21% increase in sewer service charges for all residential users is still required to offset this additional debt service which was issued during July, 1991 at an interest rate of 6.62 percent. There is a possibility that lower sewer service charges could result from the refinancing of previously issued debt. Mr. Hesse reports that the CWP is proceeding to review the refinancing of previously issued debt. However, according to Mr. Hesse, because there is currently no refinancing plan in effect, the sewer service charge rates recommended by the CAO for FY 1992-93 could not be reduced at this time.

6. At the same time that the CAO is proposing, based on his projected needs of the CWP, to increase its FY 1992-93 budget by approximately 19.5%, or approximately \$21.1 million to \$129.3 million over the 1991-92 budget of \$108.2 million, the Mayor's Office has requested that most City departments submit a reduced 18 percent proposed budget for fiscal year 1992-93, given the City's recent \$139.2 to \$148.2 million projected shortfall. Although the Clean Water Enterprise Fund is largely funded through sewer service charge revenues, and not General Fund revenues, nevertheless, sewer service charges are paid for by the City's taxpayers.

7. If the CWP reduced its Operations and Maintenance expenditures (excluding Debt Service and Repair and Replacement) by 18 percent of the adjusted FY 1991-92 Operations and Maintenance expenditures of \$59,338,000 (as noted on Attachment II) to approximately \$51,684,160 (excluding a deduction for an additional approximate \$3,027,000 which is estimated for salary standardization), the resulting average monthly charge in residential sewer services charge rates would decrease from \$10.70 to approximately \$9.37. This results in an average increase of approximately 5.9 percent, instead of the proposed 21 percent increase for residential users. These new rates assume that the CWP meets its minimum debt requirements instead of maintaining the surplus balances requested in excess of the minimum debt requirements as has been recommended by the CAO. Mr. Hesse reports that the Clean Water Enterprise Fund must continue to receive adequate funds to ensure compliance with various State and Federal regulations or otherwise the City may face fines for non-compliance. Therefore, according to Mr. Hesse, a decrease in the Operations and Maintenance budget may not be feasible.

### Summary

The CAO's recommended FY 1992-93 budgeted expenditures for the Clean Water Program represent an approximate 19.5 percent increase over FY 1991-92. The Board of Supervisors and the Budget Analyst have not yet been provided with the Mayor's final recommended FY 1992-93 Clean Water Enterprise budget. The CAO is requesting that the increase in sewer service charge rates take effect immediately. In addition, the DPW reports that additional capital projects are required in order for the City to improve its sewerage treatment to comply with State and Federal guidelines. However, the Budget Analyst has not made a detailed analysis of the proposed capital projects, funding requirements, and justifications of the necessity for all of the proposed projects relating to their

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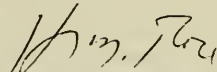
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compliance with Federal and State guidelines. If the Clean Water Enterprise Fund reduced its Operations and Maintenance expenditures and maintained reduced surplus balances, this could result in lower sewer service charges for residential and commercial and industrial users.

However, in addition to the Budget Analyst's annual budget review, which is pending the submission of the Mayor's final recommended FY 1992-93 budget, a detailed comprehensive management audit of the entire Clean Water Program operations, including an analysis of the proposed capital projects, and an analysis of the number and responsibilities of the administrative staff and other positions and related expenses utilized under the Clean Water Program, would be required in order to determine the ongoing justification for significant sewer service charge rate increases requested for approval by the Board of Supervisors. Therefore, the Budget Analyst believes approval of the proposed 21% to 23% increases in sewer service charge rates for fiscal year 1992-93 to the residential and to the commercial and industrial users respectively is a policy matter for the Board of Supervisors.

### Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors for the reasons cited in the summary above.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board

Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 - TELEPHONE (415) 554-7642

April 10, 1992

**TO:** Each Member of the Board

**FROM:** Budget Analyst

**SUBJECT:** Proposed Resolution Adopting Schedules of 1992-93 Sewer Service Charge Rates (April 13, 1992 Board Calendar, Item 18a - File 21-92-1).

1. The proposed resolution would adopt and impose schedules of sewer service and industrial cost recovery charges to be paid by users for fiscal year 1992-93 pursuant to Part II, Chapter X, Articles 4.1 and 4.2 of the San Francisco Municipal Code (Public Works Code).

2. The Chief Administrative Officer (CAO) has submitted the Clean Water Enterprise Fund five-year revenue plan for 1992-93 through 1996-97 for the Department of Public Works (DPW) and the Clean Water Program (CWP). The proposed resolution would continue the Clean Water Enterprise Fund as a Public Service Enterprise Fund. In order to meet accounting and auditing standards, CWP monies must be accounted for through Public Service Enterprise Fund accounting methods.

3. As shown in Attachment I, the CAO is proposing that sewer service charge rates for residential users be increased by an average of 21% for fiscal year 1992-93. The increase in sewer service charges was 22% for fiscal year 1991-92. Attachment I shows the projected changes in the Clean Water Enterprise budget over the next five years. The CAO is also proposing a 23% rate increase for commercial and industrial users for fiscal year 1992-93. The proposed increase in rates would become effective on April 15, 1992 or as soon as possible thereafter.



4. Although there was normal rainfall during fiscal year 1991-92, the Water Department is reporting that given that there were previously five consecutive years of below normal rainfall, a system-wide water shortage still exists. The water shortage affects the Clean Water Enterprise Fund because sewer service charges are directly based on water consumption and discharge. Because most of the costs of the City's Clean Water Program are fixed and cannot be reduced, a reduction in water consumption without an increase in rates results in overall reduced revenues for the Clean Water Program. The CAO is therefore reporting that it is necessary to increase the sewer service charge rates to become effective immediately in order to maintain the operating costs of the system because water usage in the current fiscal year is still decreasing. The CAO is also reporting that the proposed rate increase is based on the assumption that water consumption next year will be the same as in the current year (approximately 80% of the pre-drought 1987 consumption level). In addition, The CAO indicates that much of the change in consumption is due to permanent changes in plumbing and landscaping, so a return to pre-drought consumption levels is unlikely in the next few years. Attachment I shows the projected changes in the Clean Water Enterprise budget over the next five years.

5. The sewer service charge for each customer depends on the amount of water used. All residential customers pay the same rates per unit of water discharged. On average, single family dwellings have higher water usage and therefore have higher charges than apartment units. The average usage and monthly charges paid by various San Francisco residential customers are as follows:

Type of Customers	Average Monthly Amount of Water Used	Current 1991-92 Monthly** Sewer Service Charges	Proposed 1992-93 Monthly** Sewer Charges	Monthly Increase
Apartment Units	3.98 units*	\$7.00	\$8.41	\$1.41
Single Family Dwellings	5.60 units	12.07	14.70	2.63
All Residential Users	4.57 units	8.85	10.70	1.85

\* One unit equals 100 cubic feet of water or 748 gallons.

\*\* Bills are currently issued on a bi-monthly basis.

6. Attachment III shows the proposed monthly sewer bills, based on various levels of average daily water usage, for residential and commercial/industrial users. DPW charges a lower per unit rate (lifeline rate) for the first 75 gallons of water used per day per residence. Beyond that level of daily usage, a higher rate is charged. As shown above, the average 1992-93 sewer service charges for all residential users would be \$10.70 monthly or a total of

\$128.40 annually. This would be an annual increase of \$22.20 or approximately 21% from the 1991-92 charges of \$8.85 monthly or a total of \$106.20 annually.

7. Attachment III also shows that the proposed sewer service charge rates for commercial/industrial users are higher than the rates for residential users. The proposed sewer service charge rates for commercial and industrial customers are higher than those for residential customers because (1) commercial and industrial users do not have a lifeline rate and (2) the sewage discharge by these commercial and industrial users has proved to be more costly to process than residential sewage due to required pretreatment and testing.

8. On April 23, 1991, the Public Utilities Commission (PUC) adopted a revised Water Conservation Plan in San Francisco. The plan has established a conservation target of approximately 86.2% of the 1987 consumption level (or approximately 13.8% conservation). The Water Department reports that this water conservation plan is still in effect. Although this conservation plan applies only to water usage, as noted earlier, sewer service charges are directly based on water consumption and discharge. The CAO reports that the public has used less than the allotments available under this conservation plan, and therefore the proposed rate increases are based on the assumption that water consumption in San Francisco will continue at the level of approximately 80% of the pre-drought levels, rather than the maximum of 86.2% of the pre-drought levels stipulated under the Water Department's Water Conservation Plan.

### Comments

1. For fiscal year 1986-87, the sewer service charge rates increased an average of 17.8% for residential customers. Rates did not increase in 1987-88. For fiscal year 1988-89, the CAO proposed that sewer service charge rates for residential users increase by an average of 9.8% each year, for a period of five years beginning with fiscal year 1988-89, with the last such increase in fiscal year 1992-93. As a result, in both 1988 and 1989, the Board of Supervisors approved a 9.8% increase for 1988-89 and 1989-90. However, in 1990-91, the Board of Supervisors approved a 19% increase recommended by the CAO, as a result of the drought. The sewer service charge rates for residential users increased by an average of 22% for fiscal year 1991-92.

2. The CAO acknowledges that rainfall during fiscal year 1991-92 is moving towards normal levels. The cumulative effect of the CAO's proposed rates for future years is an average rate increase of 21% for residential users for FY 1992-93 and FY 1993-94. As shown in Attachment I, beginning in FY 1994-95, the CAO estimates that the average increase for residential accounts will be 13.75%. Rates would increase by 9.2% in FY 1995-96, and will increase 3.5% for FY 1996-97. These rates are based upon projected water consumption. The amount of rainfall received may decrease future rates if the mandatory Water Conservation Plan is rescinded and water consumption increases.

3. For fiscal year 1986-87, the sewer service charge rates increased an average of 11.4% for commercial and industrial users. Commercial and

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industrial user rates did not increase in 1987-88. In 1989, the Board of Supervisors approved a 12.7% rate increase for commercial and industrial users. Because of the drought, the Board of Supervisors approved a 19.9% rate increase for commercial and industrial users for 1990-91, and a 32% rate increase for commercial and industrial users for 1991-92. As previously noted, the CAO is now proposing a 23% increase for commercial and industrial users for fiscal year 1992-93.

4. As a result of the mandatory water rationing program, for 1991-92, the DPW estimated a reduction of 18.6% in water consumption by San Francisco water users from the 1987 base year consumption level. Therefore, as reflected in Attachment I, the assumed water consumption level for 1991-92 was 81.4% of the 1987 levels. However, water consumption levels for 1991-92 based on the first nine months of the fiscal year have been reduced by approximately 1.4% to 80%. The DPW is now projecting water consumption levels for 1992-93 at the same level as 1991-92, or approximately 80% of the 1987 levels. As reflected in Attachment I, after 1992-93's estimate of 80% of the 1987 water consumption levels, the DPW is projecting water use at the same level per year through 1996-97. Although the two are not directly comparable, the water consumption bases used for sewer service charge rate purposes is consistent with that being used by the PUC for the pending recommended 1992-93 water rates.

5. In fact, that is why the CAO is currently requesting that the proposed rate increases take effect on April 15, 1992. Sewer service charge rates typically become effective as of July 1. The CAO is requesting that the proposed rates become effective approximately 2.5 months earlier since revenues have declined for fiscal year 1991-92 because water consumption is 1.4% lower than projected. CWP reports that through January, 1992, sewer service charge revenues were approximately 6.7% below projected amounts. Water consumption and thus sewer service charge revenues are expected to decrease further in relation to original estimates for fiscal year 1991-92. The proposed sewer service rate increases, to be implemented on April 15, 1992, are estimated to result in approximately a \$7.3 million carryforward to be applied to the 1992-93 budget. The CAO projects that although without the rate increase, approximately \$2 million would be left to carryforward to the 1992-93 budget, a deficit of \$18.1 million would result by the end of fiscal year 1992-93. The CAO reports that carryforward balances are needed to meet bond covenants requiring surplus balances in excess of minimum requirements. Mr. Robert Hesse of the DPW reports that in order for the City to maintain minimum required debt coverage ratios and to provide a prudent reserve to meet revenue shortfalls or unanticipated costs, the sewer service charge rates would have to increase by approximately 24% for residential users on July 1, 1992 if the proposed 21% rate increase does not occur on April 15, 1992.

6. As noted above, the proposed rate increases would take effect on April 15, 1992. The earliest the Board of Supervisors could approve the proposed resolution is April 13, 1992. According to Mr. Hesse, the implementation of the proposed rate increases would only require a minor programming change to the Department's existing on-line computer billing system. Therefore assuming the



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Mayor approves the proposed resolution prior to April 15, 1992, it is feasible to implement the proposed rate increase by April 15, 1992. Mr. Hesse reports that pursuant to State laws, a notice of the proposed sewer service charge rate is currently being advertised ten days prior to the date the increase would occur. Mr. Hesse also reports that customers would receive an explanation of the proposed rate increase in their next bills.

7. As shown in Attachment II, the proposed 1992-93 budgeted expenditures submitted by the CAO is \$129.3 million. These proposed 1992-93 budgeted expenditures are an increase of \$21.1 million or 19.5% over the 1991-92 budget of \$108.2 million. The major increases in the 1992-93 operating budget are a result of salary standardization, inflationary costs for materials and supplies, and increased debt service requirements. According to Mr. Hesse, total salary standardization results in increased costs of approximately \$3,027,000 for fiscal year 1992-93. The 1992-93 appropriation for repair and replacement is increased by \$335,000 or approximately 5% to \$7.0 million. Debt Service results in an increase of \$14.7 million, or approximately 35% to \$56.9 million. It is anticipated that new capital projects over the next five years will cost \$445 million and that \$41 million will come from State loans. The CAO also anticipates the issuance of an additional \$135 million in bonds during FY 1993-94 and FY 1994-95. The CAO proposes to finance this proposed 1992-93 \$129.3 million budget generally from sewer service charge revenues (\$106.3 million), carryover surplus funds from fiscal year 1991-92 (\$1.1 million), interest earnings (\$16.9 million), property tax revenues (\$4.6 million) and rental revenue from the Southeast Community Facility (\$378,000).

8. The CAO proposes to continue the policy approved by the Board of Supervisors in 1984-85 of financing General Obligation Sewer Bonds with property tax revenues. According to the City Attorney's Office, General Obligation Sewer Bond debt service is the only expenditure that can be funded by property tax revenues. The balance of the CWP budget, which pays for operations and maintenance expenses, must be financed by sewer service charges and interest income. As previously stated, and as shown in Attachments I and II, the CAO proposes to use property tax revenues of \$4.6 million to fund the entire costs of the General Obligation Sewer Bonds for 1992-93, approximately the same amount of property tax revenues allocated in 1991-92.

9. The proposed sewer service charge rates and other program revenue would raise sufficient funds to fully reimburse the General Fund for its overhead costs. For 1992-93, this amounts to an estimated \$2,050,000 (see Attachment II) which is approximately a 6% increase from the 1991-92 indirect costs of \$1,928,000.

10. As previously noted, approval of the proposed resolution would result in an average rate increase of 21% to residential users for fiscal year 1992-93 and an average rate increase of 23% to commercial and industrial users for fiscal year 1992-93.

11. Any potential fiscal year 1992-93 budget cuts which may be made by the Mayor and the Board of Supervisors in the forthcoming 1992-93 budget reviews,

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BUDGET ANALYST**

Memo to Each Member of the Board  
April 10, 1992

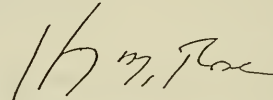
related to the Clean Water Enterprise Fund, could be used to reduce the proposed sewer service charge rates.

Summary

The CAO's requested Clean Water Enterprise FY 1992-93 budgeted expenditures represents an approximate 19.5 percent increase over FY 1991-92. The Board of Supervisors and the Budget Analyst have not yet been provided with the Mayor's final recommended FY 1992-93 Clean Water Enterprise budget. The CAO is requesting that the increase in sewer service charge rates take effect immediately. Therefore the Budget Analyst believes approval of the proposed 21% to 23% increases in sewer service charge rates to the residential and the commercial and industrial users respectively is a policy matter for the Board of Supervisors.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors for the reasons cited in the summary above.

  
Harvey M. Rose

cc: President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Gonzalez  
Supervisor Hallinan  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Supervisor Migden  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

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# Attachment I

## Fixed Rates (Proposal by CAO) Clean Water Enterprise Fiscal Year 1991-92 through 1996-97 (In Millions)

	Adjusted Budget <u>1991-92</u>	Budget <u>1992-93</u>	Budget <u>1993-94</u>	Budget <u>1994-95</u>	Budget <u>1995-96</u>	Budget <u>1996-97</u>
Beginning Balance Carryover	\$4.6	\$7.3	\$6.2	\$8.6	\$8.2	\$8.8
Revenues						
Sewer Charges	88.8*	106.3*	129.9	145.9	157.4	162.1
Interest Income	17.1	16.9	13.1	10.5	7.3	6.7
Property Tax	4.6	4.6	4.7	4.7	4.7	4.7
Rent	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Total Revenues plus carryover	\$115.5	\$135.5	\$154.3	\$170.1	\$178.0	\$182.7
Expenditures	<u>108.2</u>	<u>129.3</u>	<u>145.7</u>	<u>161.9</u>	<u>169.2</u>	<u>174.0</u>
Ending Balance	\$7.3	\$6.2	\$8.6	\$8.2	\$8.8	\$8.7
Average Increase in Residential Accounts	22.0%	21.0%	21.0%	13.75%	9.2%	3.5%
Assumed Consumption as a Percent of 1987 Levels	81.4%	80.0%	80.0%	80.0%	80.0%	80.0%

\*Assumes rate increase effective April 15, 1992.



## Attachment II

### SAN FRANCISCO CLEAN WATER ENTERPRISE BUDGETED COST COMPARISON FOR 1990-91, 1991-92 AND 1992-93

<u>Expense Item</u>	Actual Expenditures 1990-91 (\$000)	Adjusted Budgeted Expenditures 1991-92 (\$000)	Budgeted Expenditures 1992-93 (\$000)
Operations and Maintenance:			
Bureau of Water Pollution Control	\$47,644	\$44,952	\$49,601
Sewer Repair Program	7,274	7,824	8,289
Clean Water Operation/Engineering	2,825	1,838	2,158
Environmental Regulations & Mgmt.	<u>0</u>	<u>4,724</u>	<u>5,373</u>
Total Operations and Maintenance	\$57,743	\$59,338	\$65,421*
Total Repair and Replacement	\$6,382	\$6,701	\$7,036
Debt Service:			
General Obligation Bonds	\$4,614	\$4,632	\$4,645
Revenue Bonds	32,064	31,970	42,964
State Loans	<u>0</u>	<u>5,541</u>	<u>9,243</u>
Total Debt Service	<u>\$36,678</u>	<u>\$42,143</u>	<u>\$56,852</u>
TOTAL ANNUAL COST	<u>\$100,803</u>	<u>\$108,182</u>	<u>\$129,309</u>
<u>Revenues</u>			
Non-Operating Revenues:			
Carryover used to balance budget	\$4,887	(\$2,719)**	\$1,045
Interest Earnings	13,952	17,100	16,940
Rental Income	300	369	378
Property Tax Revenue	<u>4,614</u>	<u>4,632</u>	<u>4,645</u>
Subtotal Non-Operating Revenue	\$23,753	\$19,382	\$23,008
Sewer Service Charge Revenue	<u>77,050</u>	<u>88,800</u>	<u>106,301</u>
TOTAL REVENUES	\$100,803	\$108,182	\$129,309
Ending Balance	\$4,600	\$7,300	\$6,200

\* Includes indirect costs of approximately \$2,050,000 to be transferred to the General Fund.

\*\*This amount represents an increase to the prior year ending balance, thereby resulting in a current year ending balance of \$7.3 million.

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**Attachment III**  
**SEWER SERVICE CHARGES**  
**1992-93**

Residential Bill Schedule

<u>Monthly Water Use</u>	<u>Equivalent Approximate Daily Consumption</u>	<u>1992-93 Monthly Sewer Cost</u>
Units @ 100 cu. ft.	Gallons/day	(@ \$1.5356/unit-lifeline rate)
1	25 (lifeline)	\$1.54
2	50 (lifeline)	3.07
3	75 (lifeline)	4.61
		(@ \$3.8834/unit)
4	116	8.49
5	134	12.37
6	164	16.26
7	175	20.14
8	200	24.02
9	224	27.91
10	250	31.79
12	300	39.56
14	349	47.32
16	398	55.09
18	448	62.86
20	498	70.62
25	623	90.04
30	748	109.46
35	873	128.88
40	997	148.29

Commercial/Industrial Bill Schedule

(@ \$4.2602/unit)

10	250	42.60
20	498	85.20
30	748	127.81
40	997	170.41
50	1,246	213.01
60	1,496	255.61
70	1,745	298.21
80	1,994	340.82
100	2,493	426.02

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**REVISED**

Item 1b - File 146-92-23.1

**Department:** Department of Public Health (DPH)  
Bureau of Epidemiology and Disease Control

**Item:** Resolution authorizing the Department of Public Health to accept and expend a continuation State grant of \$115,397 from the State Department of Health Services for the continuation of immunization services and waiving indirect costs.

**Grant Amount:** \$115,397

**Source of Funds:** State Department of Health Services

**Grant Period:** July 1, 1992 to June 30, 1993

**Project:** Immunization Services

**Project**

**Description:** The Board of Supervisors previously approved legislation authorizing the DPH to apply for \$115,397 for the proposed State grant funds (File 146-92-23). The proposed grant funds would be used by DPH to fund the administration of the City's immunization programs and to maintain a program to prevent perinatal transmission of Hepatitis B Virus. The program's objectives are as follows:

- 1) Raise to (or maintain) immunization levels of 98% or greater for each of the legally required immunizations among all kindergarten entrants and incoming transfer students to schools within San Francisco.
- 2) Raise age-appropriate immunization levels to 95 percent or greater among infants and preschool-age children residing in San Francisco.
- 3) Through prevention, surveillance and outbreak control, reduce, and if possible eliminate illness, disability and death due to vaccine preventable diseases such as polio, diphtheria, tetanus, pertussis, measles, rubella, mumps, and influenza type B within San Francisco.
- 4) Assure that 90 percent of the infants who are born in San Francisco and who are exposed to Hepatitis B receive HBIG (emergency vaccine) and a first dose of Hepatitis B vaccine within 12 hours of birth within San Francisco.

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- 5) Assure that 75 percent of identified infants who live in San Francisco and are at high risk of perinatal Hepatitis B transmission complete the HBIG/3 dose Hepatitis B vaccine series.
- 6) Assure that 70 percent of identified household contacts at high risk of perinatal Hepatitis B transmission are screened and complete the HBIG/3 dose Hepatitis B vaccine series.

**Number of  
Units of Service:**

Approximately 36,500 childhood immunizations, approximately 47 to 60 pregnant women identified as Hepatitis B carriers and approximately 93 to 240 household contacts of identified Hepatitis B carriers.

**Project Budget:**

Personnel

Senior Disease Control Investigator (Step 2), 8 months	\$25,968	
Senior Disease Control Investigator (Step 5), 12 months	44,988	
Fringe Benefits (25%)	<u>17,739</u>	
Subtotal		\$88,695

Operating Expenses

Office Supplies	\$500	
Educational Materials	400	
Laboratory Tests	3,652	
Travel	<u>1,525</u>	
Subtotal		<u>6,077</u>
Total		\$94,772

**Indirect Costs:**

None. The State requires that funds be used for direct program services and does not allow indirect costs. Therefore, the proposed resolution would authorize the waiving of indirect costs.

**Required Match:**

None

**Comments:**

1. On April 27, 1992, Mr. Carlos Rendon of the DPH received notification from the State Department of Health Services that the Department would only receive \$94,772, as reflected in the project budget above, rather than the \$115,397, as originally anticipated and contained in the proposed resolution. Therefore, the proposed resolution, in both the title and body, should be amended to reflect the reduced amount of \$94,772 that will actually be accepted and expended.

2. The DPH advises that if the State grant monies are terminated, the grant funded positions would also be terminated.

3. Attached is the revised "Summary of Grant Request" as prepared by DPH, for the proposed grant funds.

4. A Disability Access Checklist has been prepared by the DPH and is included in the file.

**Recommendation:** Amend the title and body of the proposed resolution to reflect the reduced amount of \$94,772 instead of \$115,397 and approve as amended.



Rev. 4/10/90

Application Deadline	<u>April 15, 1991</u>
Notification Expected	<u>May 15, 1991</u>
Supervisors: Finance Committee	<u>4/8/92</u>
Full Board	<u>4/13/92</u>

~~(If you want to change the name of the document)~~







